

City of Prineville, Oregon



Adopted Fiscal Year 2018-2019 Budget



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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, 2017

Christopher P. Morill

Executive Director



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City of Prineville Elected Officials

Mission Statement
Adopted February 9, 2016

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

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



Mayor Betty Roppe



Councilor Jason Beebe



Councilor Gail Merritt



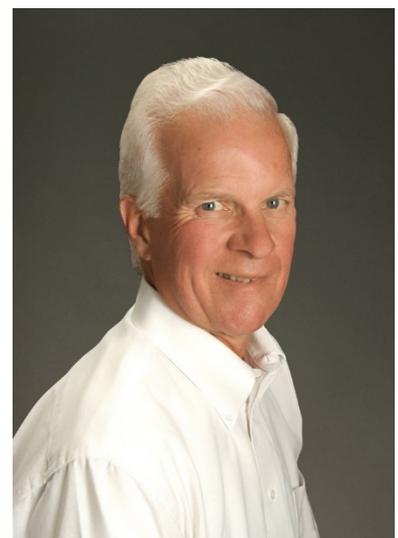
Councilor Dean Noyes



Councilor Teresa Rodriguez



Councilor Jeff Papke



Councilor Steve Uffelman

City of Prineville Budget Committee



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

The City of Prineville would like to thank its city councilors and citizen members of the budget committee for their participation in the budget process for the fiscal year 2018 – 2019. Without their time and input, crafting a budget with citizens’ best interests in mind would not be possible.

Special Thanks



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



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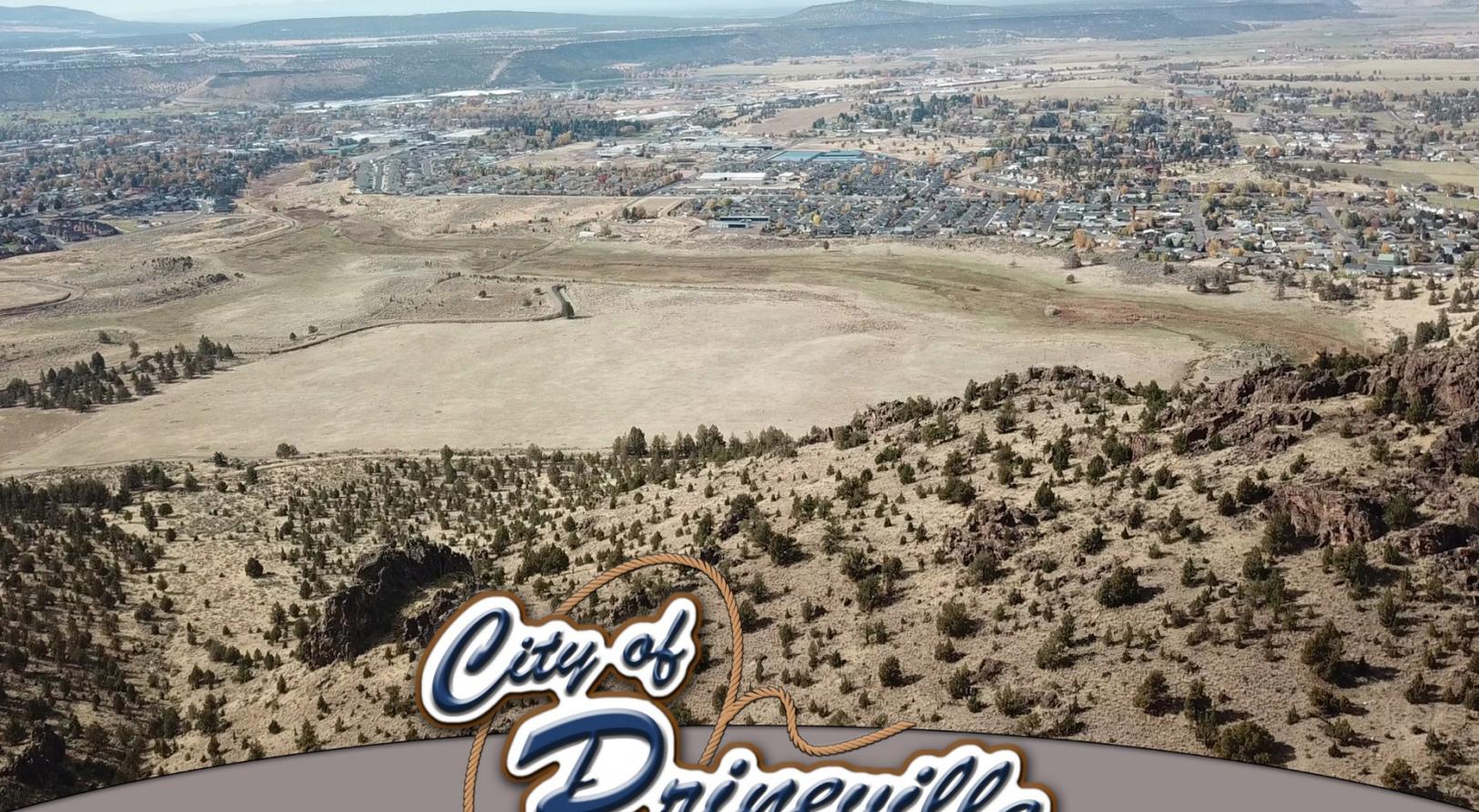
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*City of
Prineville*

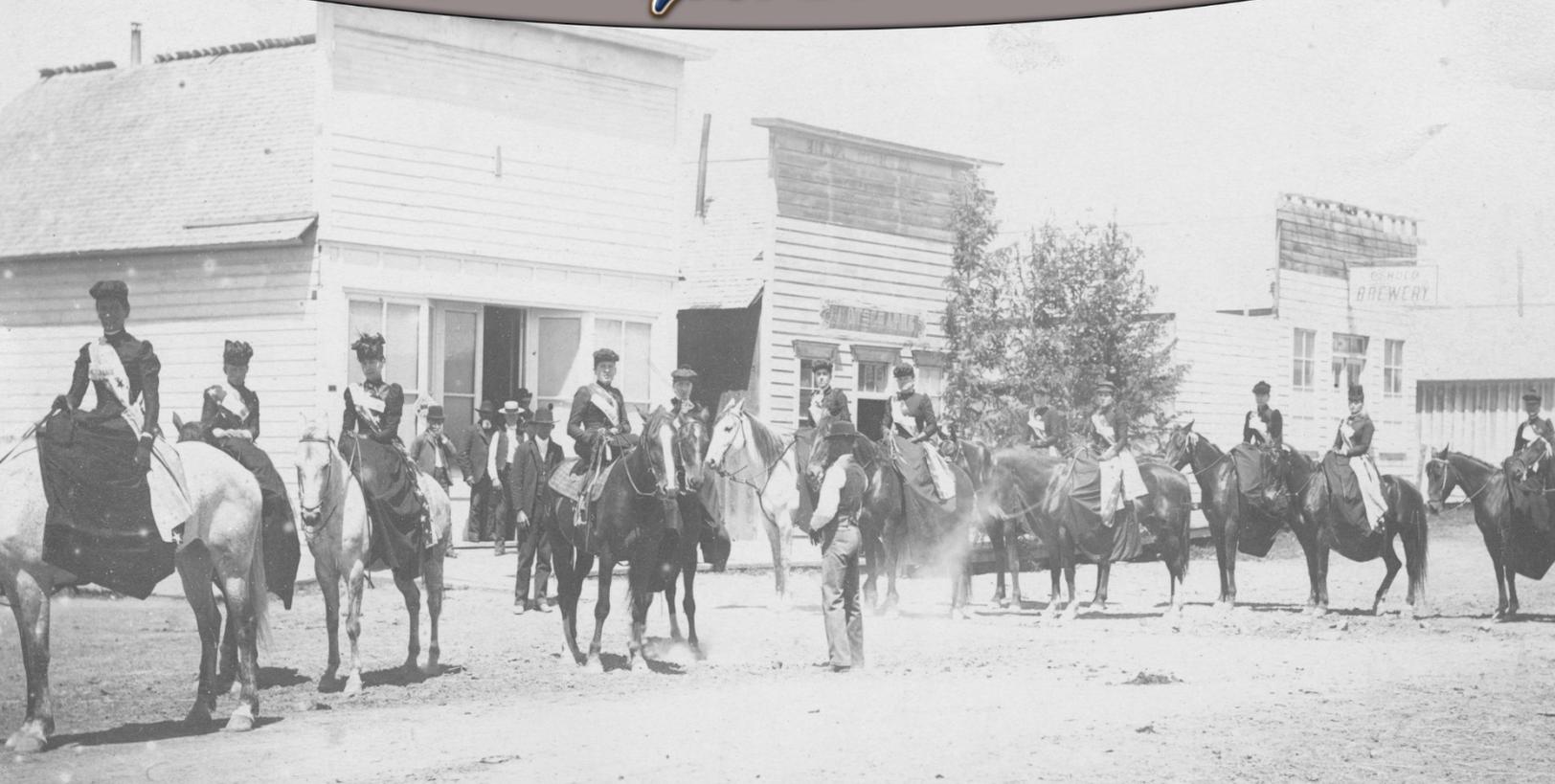
Adopted Fiscal Year 2018-2019 Budget





City Manager's Budget Message

Adopted Fiscal Year 2018-2019 Budget





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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 2018-2019 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 12th consecutive year. The proposed 2018-2019 annual budget totals \$50,696,495. The General Fund total for 2018-2019 is \$7,552,840.



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. In addition to our committees, the City works strategically with Crook County, Crook County Fire and Rescue, Ochoco Irrigation District and many local nonprofit agencies.



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

1. Recent estimates place direct employment from data center operations at more than 350 jobs with compensation averaging \$60,000 per year – approximately 150 percent above the county average. Currently, there are over 600 active construction jobs tied to data center expansion over and above operational jobs.
2. The City of Prineville Railway completed its fourth consecutive year of operational profitability.
3. The Prineville-Crook County Airport has secured a contract with the United States Forest Service (USFS) to build out a new helibase facility bringing full-time jobs and increasing airport activity.
4. McCall Oil has invested in a distribution site on city-owned property, bringing three family wage jobs and additional rail freight.
5. Facebook has begun construction of yet another large data hall – their largest yet – bringing construction commerce and future employment.
6. The City experienced a 52 percent increase in dwelling approvals from FY 17 to FY 18 with 74 new dwellings permitted.
7. Value of local commercial/industrial investment in the City/County from July 1, 2017 to May 16, 2018 totaled \$293,514,412, up by \$77,274,711 from previous year.
8. Average home sales list price increased from \$249,000 in June 2017 to \$265,000 in March 2018, representing a 6.4 percent increase.

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 Water and Wastewater Funds are spending down capital reserves this year for budgeted capital projects. 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.

Financial Policies

The Prineville City Council will review and approve changes to the financial policies for FY 19 prior to the adoption of the budget. No changes have been made to date.



Policy Analysis - Reserves by Fund for FY 19

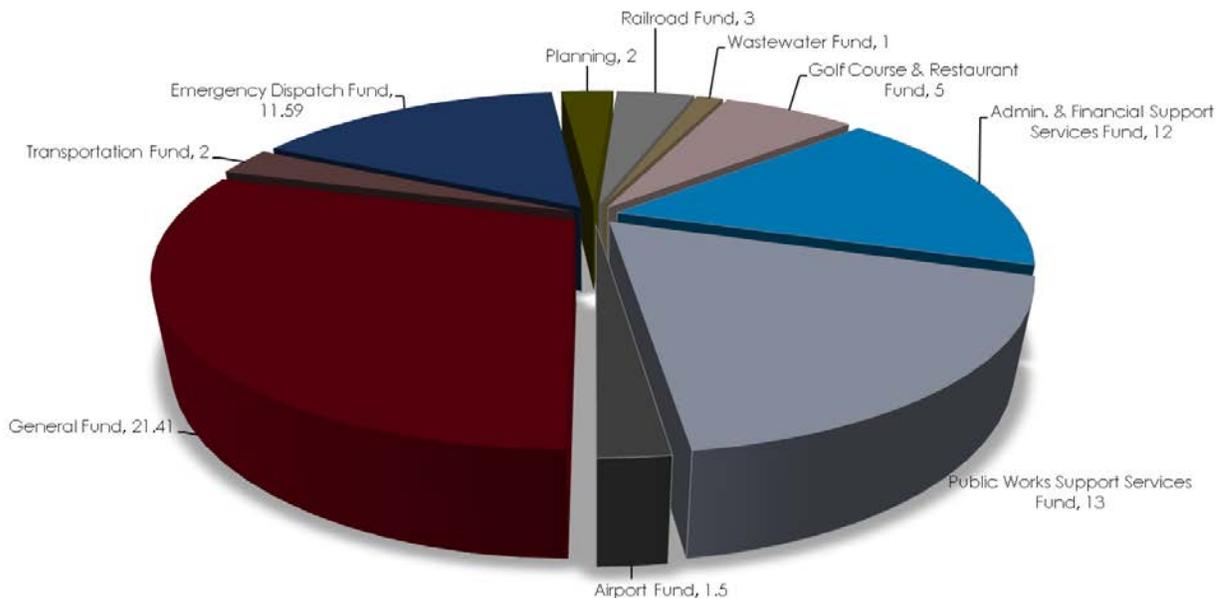
Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Twenty Percent Capital Reserve	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General *	1,570,940	972,042	598,898	Yes	535,190	N/A	1,507,232	63,708	Yes
Transportation	336,757	111,150	225,607	Yes	85,690	N/A	196,840	139,917	Yes
Emergency Dispatch	280,159	186,425	93,734	Yes	84,820	N/A	271,245	8,914	Yes
Planning	51,180	46,800	4,380	Yes	N/A	N/A	46,800	4,380	Yes
PERS/POB Fund	898,403	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	889,810	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	159,291	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	190,504	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad *	1,160,021	707,500	452,521	Yes	460,553	N/A	1,168,053	-8,032	Yes
Airport	48,088	162,583	-114,495	No	458,025	N/A	620,608	-572,520	No
Water *	688,061	465,525	222,536	Yes	214,688	609,960	1,290,173	-602,112	Yes
Wastewater *	1,170,057	1,053,200	116,857	Yes	116,505	747,540	1,917,245	-747,188	Yes
Golf Course and Restaurant	466,931	237,317	229,615	Yes	72,720	N/A	310,037	156,895	Yes
Admin/Financial Support Services	346,855	319,710	27,145	Yes	N/A	N/A	319,710	27,145	Yes
Public Works Support Services	250,275	249,015	1,260	Yes	N/A	N/A	249,015	1,260	Yes
Building Facilities/Property Fund	319,658	78,390	241,268	Yes	N/A	N/A	78,390	241,268	Yes
Plaza Maintenance	42,605	2,100	40,505	Yes	N/A	N/A	2,100	40,505	Yes
Total	8,869,595	4,591,757	2,139,830	12 out of 13	2,028,191	1,357,500	7,977,448		12 out of 13

* General Fund maintains 10 percent appropriation reserve
 * Railroad Fund maintains 20 percent appropriation reserve
 * Water and Wastewater are spending down capital reserve for budgeted capital projects FY 2019

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 71 full-time equivalents (FTE) to 72.5. This increase of 1.5 FTEs is largely due to our commitment to public safety in the Prineville Police Department.

FTE by Fund



The 2018-2019 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 2018-2019 proposed budget.

Changes and Challenges in FY 19

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 update the aging Police/911 Dispatch building.
5. Continue to strengthen street maintenance program by identifying additional sustainable resources.
6. Continue air quality process to keep the City compliant with the Oregon Department of Environmental Quality (DEQ) regarding particulate matter (PM) 2.5 air quality standards.
7. Develop and structure the Golf Course Fund to remain financially viable in response to mandated minimum wage and benefit increases.
8. Effectively address increasing low-cost housing opportunities within the community.
9. Develop solutions to increase electricity supply for large load customers as existing transmission capacity is near upper limits.
10. Develop Master Plan for Barnes Butte open space acquisition, setting up the process for open space development.

Strategic Action Plan to Address Challenges

1. Update both Water and Wastewater Master Plans and system development charge (SDC) methodology 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 the PERS/POB Fund, manage unfunded liability, reduce bond debt, and offset future State of Oregon Public Employee Retirement System (PERS) rate increases.
3. Air Quality Committee program has resulted in two consecutive years of positive air quality data below threshold. City will remain focused on continuous improvement efforts to provide certainty that our air quality remains well below the DEQ limit.
4. Continue strengthening the City of Prineville's railroad customer base to increase freight traffic and revenue allowing for additional capitalization for deferred maintenance.
5. Expedite land use process to facilitate increasing low-cost and entry-level housing opportunities.
6. Work closely with the Bonneville Power Administration (BPA), Pacific Power, Economic Development of Central Oregon (EDCO), Central Electric Coop and lawmakers to develop solutions for both generation and transmission to meet ongoing demand.

Significant Accomplishments for FY 18

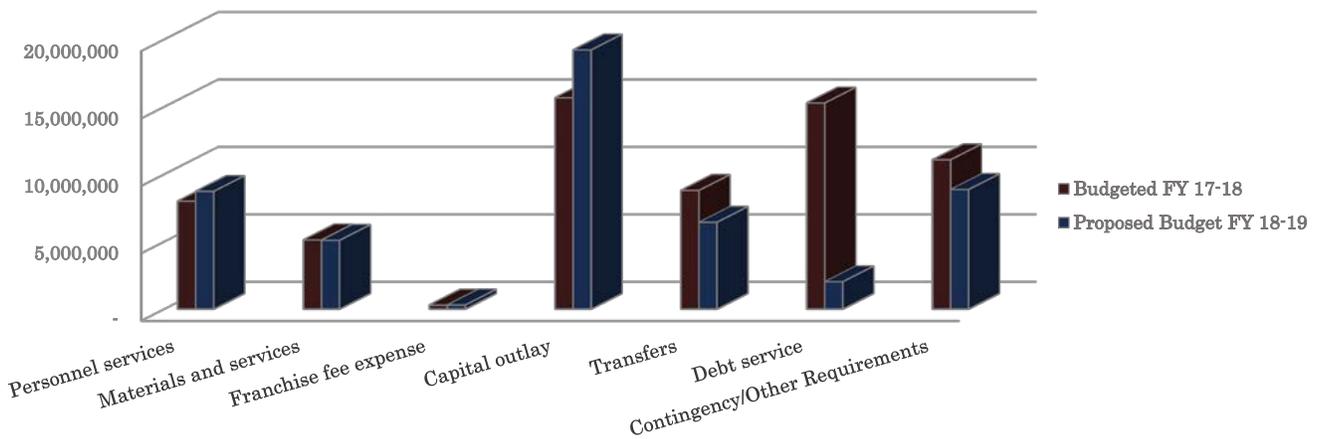
1. The City completed construction of the Crooked River Wetlands Complex, increasing wastewater disposal capacity to meet the next 30 years of future growth and opening up 320 city-owned acres to the public for hiking, jogging, and educational and outdoor activities. Community participation for our school children, birders, and nature walkers is tremendous. Received the Oregon Association of Engineers project of the year for the Wetland Project.
2. A Standard and Poor's credit rating of A+ was maintained.
3. Facilitated – with our partners at the County – the new “H” building data center expansion at Facebook that is adding approximately 1 million square feet of data center space and the opportunity for more jobs, as well as the added construction work force during buildout.
4. The City of Prineville Railway's estimated revenue for FY 19 moved towards the \$1,000,000 mark, providing capital for maintenance and a key transportation link for business activity.



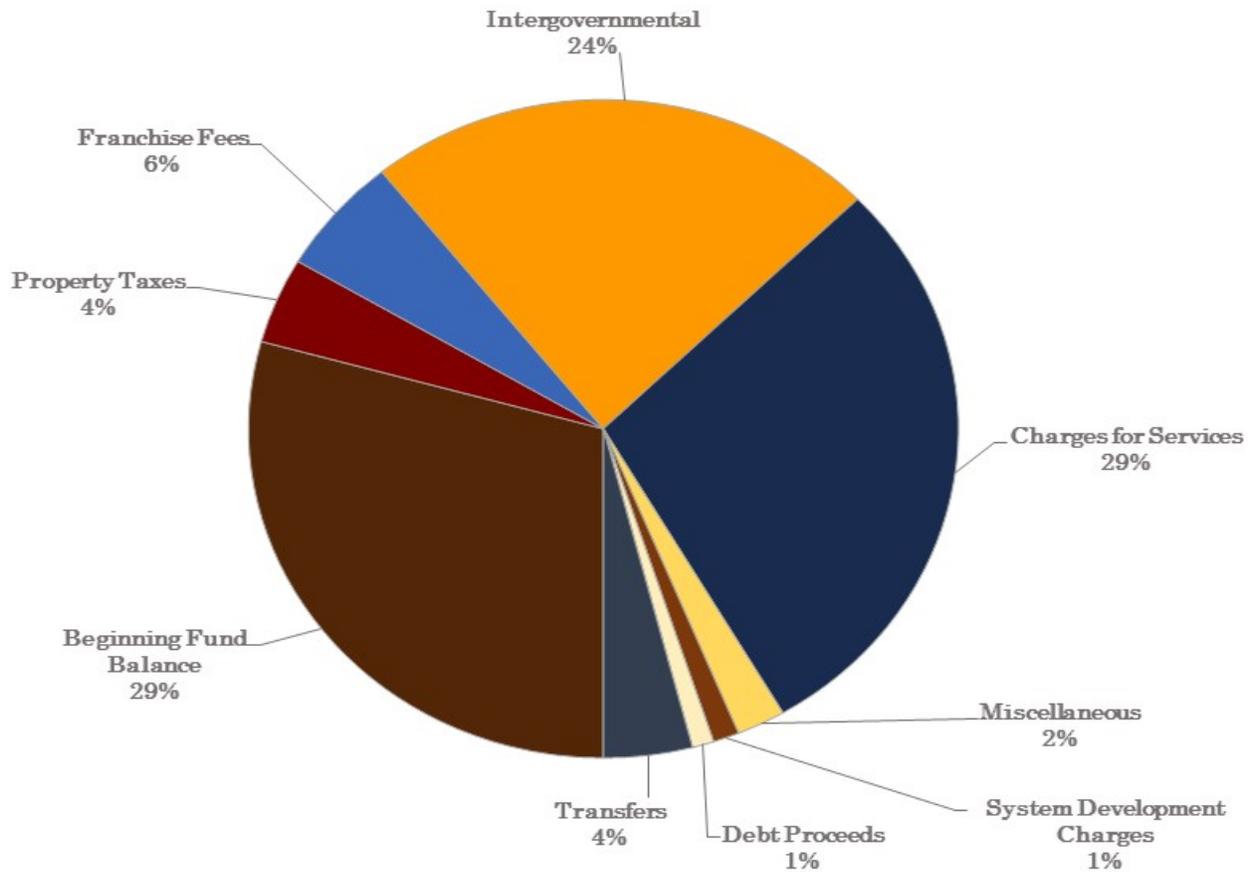
5. Staff successfully leveraged the Connect Oregon and Federal Aviation Administration (FAA) grants – combined at \$3 million of airport improvements – to secure an agreement with USFS and Crook County to build out a helibase facility, further strengthening our airport operations and adding full-time USFS jobs.
6. Facilitated commercial investment in the community of approximately \$500,000,000.
7. The City, Crook County and the Ochoco Irrigation District, collaborating under an intergovernmental agreement (IGA), continue to move forward on completing permitting and starting design of a 2.5 megawatt hydro project that could potentially produce power for 1,000 homes.
8. Continue to move forward with design and feasibility for both Waster Water to level four quality, and Aquifer Storage and Recharge. These two water projects will greatly increase water capacity and provide water certainty in low water years.
9. Partnered with Stingray Communications to manage the City’s public relations/communications process. As an indicator, media reaches to citizens increased 270 percent this past year.
10. The Barnes Butte acquisition of 600 acres of open space opened up to the public with great success. Community volunteer groups were established to help provide planning and activity management on this generational community amenity.
11. Leveraged a \$1,247,000 seismic grant and budgeted debt service to upgrade the police/dispatch building, and develop long-term solution for 911 dispatch infrastructure.
12. Developed and implemented a refunding of existing City debt, combined with debt reduction payment, to save the City over \$3 million on amortizations through approximately 2032.

Budget Overview

Budget by Major Category Comparison FY 18 to FY 19



Revenue Sources by Type

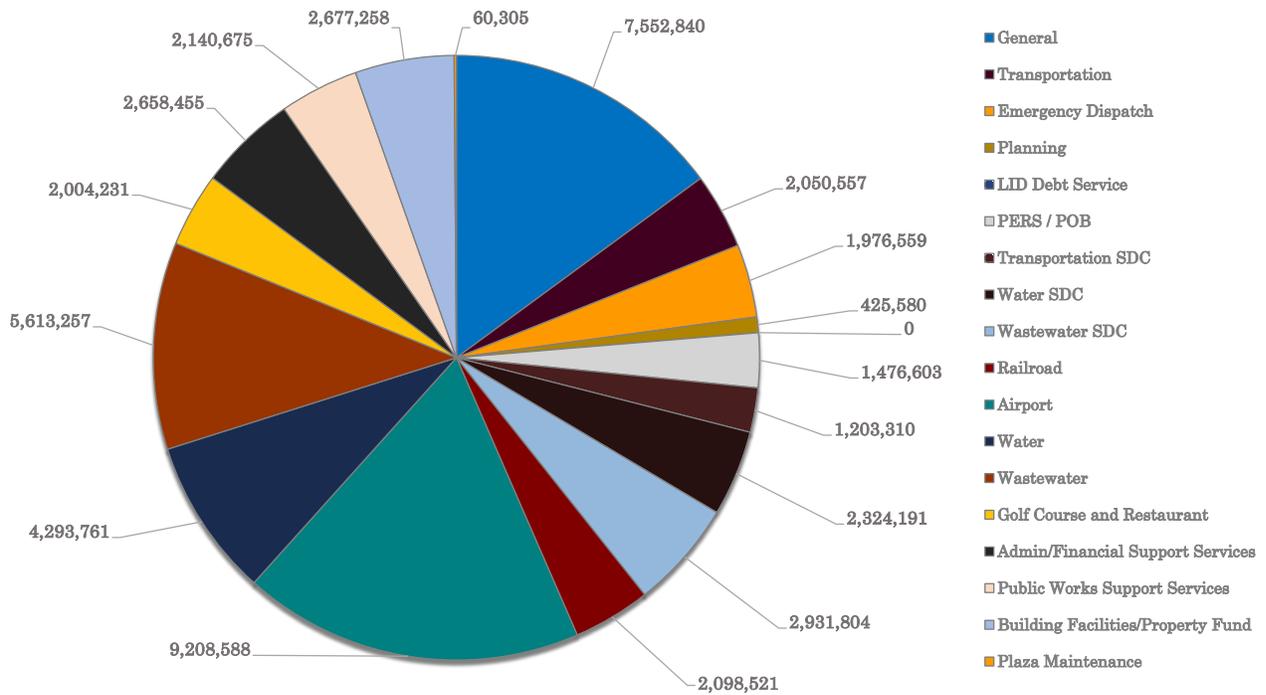


Revenue Assumptions

Overall, beginning fund balances for FY 19 increased over the prior year by approximately \$5.3 million, primarily as a result of impact fees paid in FY 18 by data centers for expansion. The Crook County Assessor's Office is predicting property taxes to increase by approximately 4.5 to 5.5 percent, however, choosing to be on the conservative side, the City estimates a 4 percent increase. Electrical franchise fees are budgeted flat as timing for the expansion of the data centers is unpredictable. Intergovernmental revenue for FY 19 is approximately 24 percent of the budget between grants, revenue sharing and other agency funds. Collection projections for SDCs are based on 25 residential equivalent dwelling units and additional commercial assumptions. Charges for service have increased approximately 3 percent over prior year largely due to the increased activity in the enterprise funds. Residential and commercial customers utilizing a three-quarter-inch meter will experience a 3 to 4 percent rate reduction while commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. For residential and small commercial customers monthly rates will be reduced 5 percent. Large commercial customers will experience a base rate reduction while commodity charges will increase. The budget provides – upon approval from the Citizen Budget Committee and the City Council – for the City to issue additional debt for upgrades to the police facility. Total debt proceeds are budgeted at \$500,000.



Total Requirements by Fund

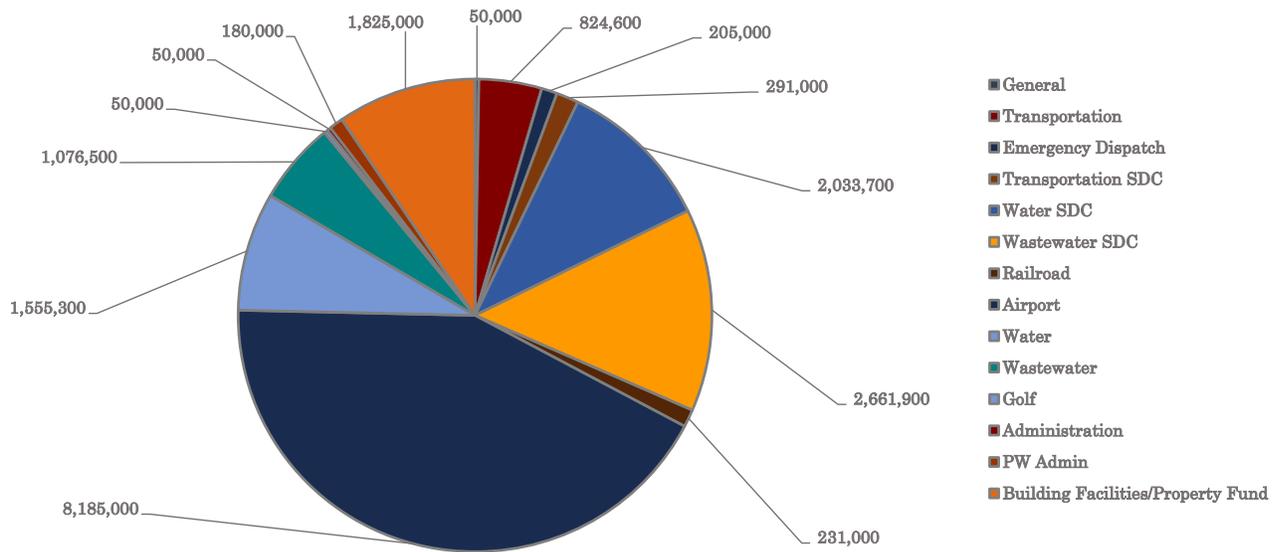


Expenditure Assumptions

Personnel services are increasing approximately 9 percent over the prior year. The City's full-time equivalent will increase 1.50 as the budget includes two new police officers for FY 19. An additional \$300,000 payment to an Oregon Public Employees Retirement System (PERS) side account for the City to take advantage of the state match of 25 percent is also included. The City is able to meet its union contracts and a modest increase to salaries for non-represented employees. Health benefits increased 9 percent this year compared to 4 percent in the prior year. Materials and services are up approximately 1 percent over prior year. Debt service decreased 88 percent over the prior year due to the advanced refunding, payoff off of water debt, and payoff of interim financing for the wetlands project in FY 18. These expenditures inflated actual debt service payments. Transfers are also decreasing 28 percent as they too were affected by the advanced refunding and the pay down of debt. Capital outlay totals \$19.22 million in FY 19. Fourteen programs have budgeted capital improvements, the largest project totaling approximately \$8.2 million in the Airport Fund. Contingency funds for the City are decreasing by approximately \$2.2 million, a direct result of capital projects budgeted in FY 19.



Capital Improvements Expenditures by Fund



The proposed budget for FY 19 includes approximately \$19,219,000 in capital improvements to maintain or increase capabilities.

General Fund

General Fund budget total for 2018-2019 is \$7,552,840. The General Fund includes \$4,729,600 for police services, representing an increase of approximately 16 percent, non-department funding of \$1,252,300, and a contingency balance of \$1,570,940. Beginning fund balance improved over prior year by approximately 11 percent. This fund is within the City's operating reserve policy and the City's 10 percent emergency reserve policy by approximately \$64,000.

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. Our police department is fully accredited through the Oregon Accreditation Alliance. The accreditation process insures the police department is using "best practices" in law enforcement, furthering our ability to continuously improve customer service to our community. The police department continues to be successful in strengthening the team by recruiting experienced law enforcement personnel into the ranks. Captain Larry Seymour completed the prestigious FBI academy in Quantico, Virginia this past year, bringing back a wealth of experience and best practice solutions.

Tobie Reynolds leads our Emergency Dispatch Department, providing emergency communications and 911 services to the Prineville Police Department, Crook County Sheriff's Office, Crook County Fire and Rescue, and other local, state and federal agencies. The Emergency Dispatch Department will have completed their accreditation process in the next few months. We have stabilized the staffing for dispatch over the last year and have a qualified pool of applicants at the ready.

Our community is experiencing an 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 adding two new officers to our police force.



Planning

This past year Josh Smith became our planning director. With support and guidance from our citizen member Prineville Planning Commission, the planning team continues to prepare our community for the present and the future. This year is expected to be busy with industrial, commercial and residential activity. In June of this year, Casey Kaiser will be joining our planning team as our new associate planner. 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, Josh Smith will be leading the Air Quality Committee in continuing to implement processes to insure our air quality index remains on track.

Public Works

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

Transportation

Street Superintendent Scott Smith and his team completed the restoration of 16 blocks of streets in the city and five Americans with Disabilities Act (ADA) wheel chair ramps. The City cracked sealed 200,000 lineal feet of streets protecting the City's pavement condition index (PCI). Our work with Oregon Department of Transportation (ODOT) partners resulted in funding to replace the Elm Street Bridge and \$4 million from HB 2017 to be leveraged – with ODOT's reconstruction of 3rd Street – to enhance sidewalks, street lighting and utilities infrastructure. We are proactively focusing on achieving our goal of a pavement condition index PCI of 82, with a current rating 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. Our focus is on protecting the water we produce. Through maintenance and system upgrades, the City reduced unaccounted water loss from 27.9 percent in 2008 to 1.91 percent, with the savings equaling 162,000,000 gallons of water per year. The State of Oregon targets municipal water loss to be less than 10 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. With a focus on conservation efforts the City's water rates are forecasted to become more competitive in the upcoming years.

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

- American Council of Engineering Companies of Oregon – Project of the Year
- East Cascades Audubon Society – Conservationist of the Year
- Eastern Oregon Region American Water Works Association – Project of the Year
- League of Oregon Cities – Award for Excellence
- Oregon Association of Clean Water Agencies – Outstanding Member Agency

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



System Development Funds

The City's SDC funds are benefiting from the upward trend in the economy as a result of significant investment in residential and commercial growth this upcoming budget year. The City is forecasting and planning SDC funding to maintain current assets and develop our infrastructure to meet future demands. This year, SDC funding is providing support for the City to connect the valley floor system to the commercial activity area near the Prineville-Crook County Airport. This investment will be the foundation for wastewater reuse, aquifer storage and recharge, and strengthens connectivity throughout our City's service area.

Railroad and Freight Depot

Operations Manager Matt Wiederholt and the City of Prineville Railway team moved this strategic fund to operational profitability for the third consecutive budget year. Freight activity during the past year remains strong. This year's budget forecasts funding of critical maintenance items on the rail system as a result of the financial strength of the railroad. This investment in maintenance is allowing the Railway to keep this key asset in compliance with the Federal Railroad Administration (FRA) and to meet the needs of our customers. New business partnerships further diversified our customer base. McCall Oil has invested in our community and railroad, adding additional freight revenue and three 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 grow. Hangar occupancy is near 100 percent. The Airport completed an FAA 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 leveraged these grant opportunities to secure a long term lease to build out a new \$6,000,000 USFS helibase that will provide a year around Forest Service presence and additional jobs for the 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. Last year's restructuring has provided both fund stability and continued investment in capital for the upkeep of the facility. Our team at the City is investigating new opportunities to increase golf play and restaurant utilization which we believe will be the key for the future. Meadow Lakes Golf and Restaurant is one of Prineville's featured attributes and is enjoyed by golfers from around the Northwest and its facilities are used by many local civic groups.

Administrative Services

Finance Director Liz Schuette and her staff continue to adapt to changes and challenges to the City's financial performance. The team embraces continuous improvement practices and continues to recruit and develop a multi-functional, cross-trained staff that is providing the City Council and community with timely and accurate financial information and award-winning budget presentations. The City – for the twelfth consecutive year – received the prestigious Distinguished Budget Presentation Award from the Government Finance Officers Association and received for the first time the coveted Certificate of Achievement for Excellence in Financial Reporting for audit ending 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

Human Resources Director Darla Rhoden provides our employees with support, development, guidance and safety as our highest priority. This past year, job descriptions for all non-represented employees were updated, personnel information was updated for the newly implemented payroll system, a new process was launched for employee evaluations, and emergency dispatch vacancies were stabilized. This next year human resources will be focused on the development of our online recruiting process, implementing a new employee “on boarding” process, and a new training module for new and existing employees. Safety is a priority for our entire team at the City. City Recorder Lisa Morgan, the City’s risk management coordinator, and has developed and implemented a City-wide safety program and facilitated a safety committee that is proactively auditing safety protocol across all City departments. We will continue to be focused on maintaining and improving the safety environment for our team members.

Information Technology

The City’s Information Technology (IT) Department led by James Wilson and team continues to provide the City with a stable IT platform to conduct city business. This past year the IT Department upgraded our financial software to Incode version 10, deployed new radios for first responders with increased coverage and text to 911 capability, installed a new generation phone system and radio console for emergency dispatch, and completed an equipment up-fit for six new police vehicles.



Maverick statue as seen in the summer of 2017



2018/2019 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
- ◆ Maintain Development & Updating Long Range Financial Planning
- ◆ Financial Policies & Reserve Requirements
- ◆ Employee Development & Cross Training
- ◆ Achieve & Sustain Railroad & Freight Profitability
- ◆ Implement Capital Asset Tracking Software
- ◆ Update Internal Controls Manual
- ◆ Increase Golf Course Fund Balance While Completing All Planned Capital Improvement Projects
- ◆ Implement Initiatives Created by the Downtown Strategic Planning & Air Quality Committees
- ◆ Economic Development & Family Wage Job Growth
- ◆ Initiate Plan to Reduce Flood Plain Impact
- ◆ Maintain Economic Partnership with the County
- ◆ Update Urban Growth Management Plan Agreement with the County
- ◆ Develop Annexation Policy Based on Urban Growth Management Plan
- ◆ Maintain Excellent Customer Service Across All City Departments
- ◆ Improve Budget Process & Document
- ◆ Maintain Development & Updating Long Range Financial Planning
- ◆ Financial Policies & Reserve Requirements
- ◆ Employee Development & Cross Training
- ◆ Achieve & Sustain Railroad & Freight Profitability
- ◆ Implement Capital Asset Tracking Software
- ◆ Update Internal Controls Manual
- ◆ Increase Golf Course Fund Balance While Completing All Planned Capital Improvement Projects
- ◆ Identify Funding Strategies for Long Term Maintenance of Railroad and Streets Infrastructure
- ◆ Begin Construction of Effluent Re-Use Project
- ◆ Develop Strategy to be a Renewable Energy Provider
- ◆ Property acquisition in City for Economic Development, Natural Resource & Hazard Mitigation
- ◆ Complete Barnes Butte Master Plan
- ◆ Seek Funding to Update Comprehensive Plan
- ◆ Upgrade of Telemetry Capabilities
- ◆ Transparency in All Areas of Finance
- ◆ Continue to Develop City Vision
- ◆ Continue to Provide Excellent Customer Service
- ◆ Obtain GFOA and CAFR Awards
- ◆ Annual Council Retreat
- ◆ Council Education, Training & Community Activity
- ◆ Create & Implement a Volunteer Program to Involve Citizens
- ◆ Strategy for Relocation of Dispatch Center Location
- ◆ 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
- ◆ Complete Police Department Improvements

2018/2019 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

- ◆ Increase Golf Rounds Played by 5,000 Over Fiscal Year 2018
- ◆ Increase Golf Lesson Sales by 50% Over FY 2018
- ◆ Continue Antenna Read Meter Replacement
- ◆ Agreement with County and Parks & Recreation for Shared Equipment and Responsibilities
- ◆ Coordinate Trail System Connections
- ◆ Continue Process of Improving Water Clarity & Overall Condition of the Effluent Ponds
- ◆ Maintain 100% Score on Health Inspections in the Restaurant
- ◆ Evaluate Future Need for Large Meeting / Conference Facilities
- ◆ Continue to Develop City Strategic Plan
- ◆ Maintain Support of Existing and New Airport Businesses While Pursuing New Opportunities
- ◆ Continue Antenna Read Meter Replacement
- ◆ Agreement with County and Parks & Recreation for Shared Equipment and Responsibilities
- ◆ Coordinate Trail System Connections
- ◆ Continue Process of Improving Water Clarity & Overall Condition of the Effluent Ponds
- ◆ Maintain 100% Score on Health Inspections in the Restaurant
- ◆ Evaluate Future Need for Large Meeting / Conference Facilities
- ◆ Develop Succession Plan for key Public Works Positions
- ◆ Increase Application Pool & Job Readiness Techniques Therefore Reducing Number of Applicants for Interview Process by 75%
- ◆ Continue to Develop Plans for Hydropower
- ◆ Increase Staff Certification in Both Water & Wastewater
- ◆ Continue Exploring Acquisition for Storage & Recover Project
- ◆ Secure Grant Funding for 2019 Airport Projects
- ◆ Purchase Equipment & Technology Improvements to Enhance Safety of Our Officers & Community
- ◆ Seek Opportunities to Collaborate & Support Council Goals, Other Agencies and Businesses to Enhance Public Safety.
- ◆ Maintain Police Department Accreditation
- ◆ Development of More Robust Safety Committee Activities & Maintain Low Incident Rate



Council Goals 2018-2019		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
DEPARTMENT	OBJECTIVES					
Council Objectives	Economic development and family wage job growth	X	X	X	X	X
	Improve community quality of life	X	X			
	Council member education, training and community activity	X	X	X	X	X
	Overall disaster preparedness and strategy plan	X	X	X	X	X
	Improve city-wide communications	X	X	X		X
	Strategy for the relocation of 911 Dispatch	X	X	X	X	X
Community Development	Implement initiatives created by the DSP and Air Quality Committees	X	X	X	X	X
	Identify and evaluate potential property acquisition for economic development or natural resource and hazard protection	X	X	X	X	X
	Complete Barnes Butte Master Plan and Ironhorse Outline Development Plan update	X	X	X	X	
	Coordinate trail system connections (specifically in Hudspeth drain)	X	X	X	X	X
	Seek funding from DLCD to update the City Comprehensive Plan	X	X		X	
	Update urban growth management agreement with Crook County	X	X	X	X	
	Initiate plan to reduce floodplain impact	X	X		X	X
	Develop annexation policy based on urban growth management agreement update	X	X	X	X	
Finance	Maintain development and updating of long-range financial plans (all funds)	X	X	X	X	X
	Receive clean audit from auditors	X	X	X	X	X
	Update internal controls manual	X	X	X	X	X
	Continue to improve budget process and 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
Freight Depot / Railroad	Implement capital asset tracking software	X	X	X	X	X
	Achieve and sustain railroad profitability	X		X	X	X
	Achieve and 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			



Council Goals 2018-2019		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
DEPARTMENT	OBJECTIVES					
Human Resources	Professional development of staff	X	X	X	X	X
	Create and implement a volunteer program to involve citizens	X	X	X	X	X
	Increase the application pool and implement employment testing "job relatedness" techniques, therefore reducing number of applicants for the interview process by 75 percent	X	X	X	X	X
Meadow Lakes	Increase rounds played by 5,000 over FY 18	X	X		X	
	Increase the Meadow Lakes fund balance while completing all planned capital improvement projects in FY 19	X	X	X	X	
	Maintain 100 percent score on health inspections in the restaurant and have zero lost-time injuries	X	X	X	X	
	Increase overall financial performance in the restaurant by hosting one special event dinner or brunch each month in FY 19	X	X	X	X	
	Continue the process of improving water clarity and overall condition of the effluent ponds	X	X	X	X	
	Increase lesson sales by 50 percent over FY 18	X	X	X	X	
Police / 911 Department	Explore dispatch center location options that ensure continuity for our community	X	X	X	X	X
	Complete Police Department location improvements to extend the life and effectiveness of the department	X	X	X	X	X
	Purchase equipment and technology improvements to enhance safety of our officers and community	X	X	X	X	X
	Seek opportunities to collaborate and support council goals, other agencies and businesses to enhance public safety	X	X	X	X	X
Public Works	Begin construction of Effluent Reuse 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	
	Develop funding strategy to maintain street condition at optimal levels	X	X		X	X
	Continue to develop plans for hydropower	X	X		X	
	Increase staff certification in both water and wastewater	X	X		X	
	Agreement in place with Crook County regarding sharing of work and equipment	X	X		X	
	Investigate Aquifer Storage and Recovery Project	X	X		X	



Council Goals 2018-2019		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
DEPARTMENT	OBJECTIVES					
Administration	Continue to develop city vision	X	X	X	X	X
	Maintain accreditation	X	X	X		X
	Development of a more robust safety committee and activities and maintain a low incident rate	X	X	X		X
	Develop a strategy for Prineville to be a renewable energy provider, including biomass	X	X		X	
	Maintain development of economic partnership with Crook County	X	X	X	X	
	Annual council retreat		X		X	
	Crook County Parks and Recreation agreement for parks and Ironhorse 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 and plans to achieve safety and operational compliance	X	X	X	X
	Continue to support new and existing airport businesses while identifying and pursuing new opportunities	X	X	X	X	
	Secure grant funding for 2019 projects	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 2018-2019 budget. Our team is ever mindful of our city's history and culture, and our work reflects a commitment to protect our heritage while we move forward in time. We believe that Prineville is a place where the "Future meets the Frontier." We remind ourselves each day that every citizen is our customer and stakeholder, and our citizen's tax dollars are entrusted to us to provide city services effectively and responsibly.

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

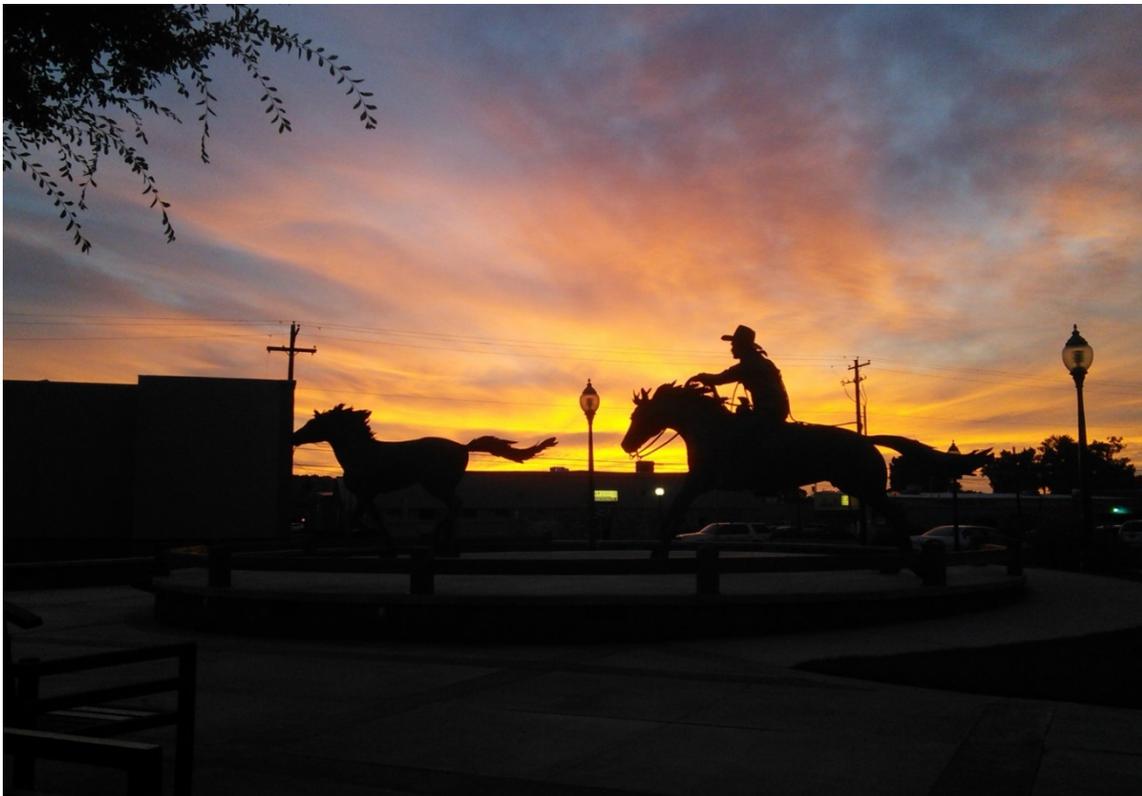
The budget process is a team effort, and on behalf of every City of Prineville employee, I am honored to present the budget committee with the proposed 2018-2019 budget.

The budget committee is holding its first meeting on May 22, 2018 at 5:00 p.m., with budget meetings scheduled to resume on June 4, 2018 at 5:30 p.m.

Sincerely,

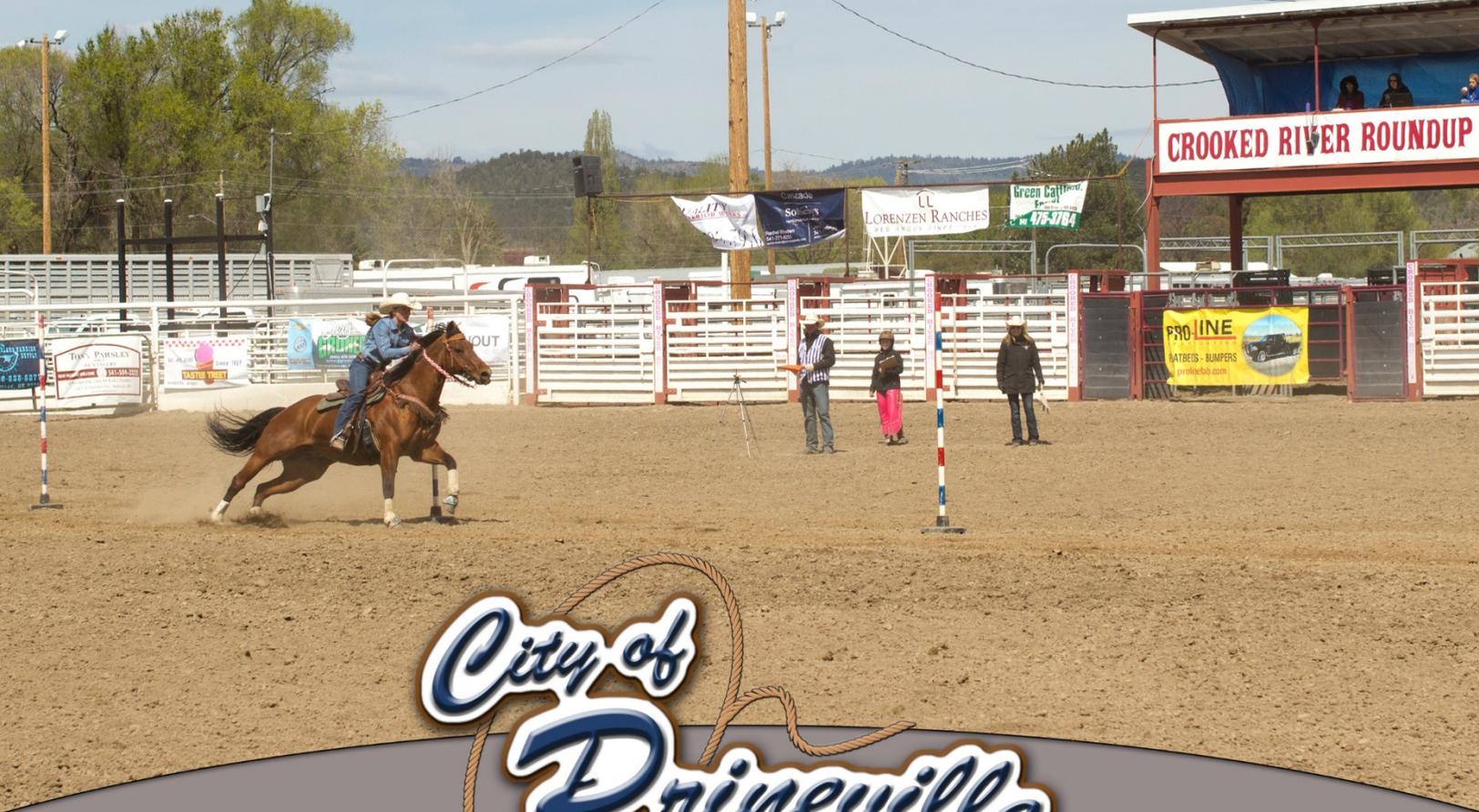


Steve Forrester
City Manager



The sunset as seen from the plaza on an August evening.





City of Prineville

Adopted Fiscal Year 2018-2019 Budget





Welcome to
Prineville

Adopted Fiscal Year 2018-2019 Budget





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Community Profile

The City of Prineville is a unique small town with a current population of 9,880 (July 1, 2017), an increase of nearly 235 people over the prior year certified population estimate from July 1, 2016. Prineville is located within Central Oregon and nestled in an ancient volcanic basin that is over 3 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 one travels, within minutes they are located among some of the most beautiful scenery and wildlife the northwest has to offer. Main Street, also known as State Highway 27, 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 developed into two long-term anchor tenants at the railroad junction, one of which is already expanding and is a nationally known company. Six years ago the railroad only had a handful of jobs. Today, between the railroad and its customers, they have created over a 100 jobs that are tied directly to it. There are currently over 32 companies utilizing either railroad or railroad-owned facilities. The result is an increase in car traffic, as well as, the variety in cargo. Businesses are taking advantage of the award winning, multi-modal freight depot and junction. The City has several activities planned to celebrate the 100th anniversary this year.

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. The golf course maintains a golf cart fleet with modern features to get players from hole to hole in style. The clubhouse offers spectacular, almost panoramic outdoor views 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. Meadow Lakes is celebrating its 25th anniversary this year as well.



View of Meadow Lakes Golf Course from the Ochoco Viewpoint.

The Prineville-Crook County Airport is managed by the City in collaboration with Crook County. The airport manager continues to successfully increase business and recreational activities. The existing hangars continue to be completely occupied, and new hangars are being constructed. Aviation fuel sales are up over the prior year and 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 is completed and the review with Federal Aviation Administration (FAA) was approved and adopted by the Prineville City Council. Much like the railroad, the airport has gone from a couple of airport-related jobs to over 30 in the last couple of years.



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

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 City recently added to these recreational opportunities by purchasing 461 acres to the east that is adjacent to land owned by Bureau of Land Management (BLM). It features 360 degree views of the surrounding rimrocks and wildlife. This area was purchased by the City primarily for water rights and has become a favorite place to visit in the community. The beautiful Painted Hills of Mitchell and the magnificent Smith Rock State Park are just a couple of must-see attractions in the area. Some of the activities residents and visitors of Prineville enjoy are: fishing, hunting, boating, rafting, skiing, snowboarding, hiking, camping, rock climbing, horseback riding and rock hounding. The community continues to add trails for hiking and biking, and with the construction completed for the Crooked River Wetland Complex, five more miles of trails (three miles of it paved) have been added to Prineville's extensive network of paths. The Crooked River Wetland Complex is now a refreshing, well-utilized area for jogging, bike riding, dog walking and viewing Grizzly Mountain and wildlife – thanks to its abundance of bird watching opportunities – that citizens to enjoy from dusk to dawn. Several dedicated community volunteers were attracted to the property to help watch over it.



*Crooked River Wetland Complex volunteers
Sue Britain and Jim Van Vlack.*



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

Affordable residential housing rentals continue to be a challenge. Construction of residential homes is currently underway, so this challenge is beginning to balance out. Increased interest from developers for multiple family dwelling units continues.

Prineville also caters to a variety of job markets. Between construction, manufacturing, retail, government, health and the tech sector, the City touches on all types of employment. The presence of Facebook and Apple 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. In 2015, the construction of a beautiful, \$30 million facility was completed in order to better serve the community’s needs. Growth continues in all sectors, and will, for the foreseeable future. Many smaller businesses have decided to “set up shop” in Prineville adding to the variety of jobs available in the community.



Prineville once held the highest unemployment rate in the state at over 20 percent, but now sits at 6.7 percent, up 1.3 percent from this time last year.

Government

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

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



City of Prineville Services

The table below provides information about the City of Prineville services

Public Safety		Streets	
Sworn Officers	19	Street (centerline miles)	56.71
School Resource Officers	2	Sidewalks	
Dispatchers	10.5	Traffic Signals	5
Misdemeanor/Felony Arrests	283	ADA Ramps (downtown area)	65
Calls for Police Assistance	20,745		
Dispatch Emergency Calls	9,545	Railroad	
Dispatch Non-emergency Calls	49,967	Diesel Locomotives	4
		Steam Locomotives	1
		Cars	8
		Main Track Miles	18.01
		Yard Track Miles	2.46
		Industrial Track Miles	2.45
		Transload Facilities	2
		Public Team Track (acres)	1.45
		Airport	
		Runways	2
		Terminal	1
		Golf	
		Club House	1
		18 Hole Course	1
		Rounds of Play	23,313
Community Development			
Residential Applications	134		
Commercial Applications	43		
SDC Fees Collected	\$10,060,441		
Water			
Service Connections	4100		
Average Mthly Consumption (units)			
Water Rates	\$ 17.87		
Lineal Miles of System	48		
Treatment Capacity	6.00		
Sanitary Sewer			
Service Connections			
Average Daily Sewage Treatment			
Sewer Rates	\$ 52.93		
Lineal Miles of System	44		
Treatment Capacity (1,000 gal MGD)	6.00		

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 the new home for Pioneer Alternative High School.





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

City Demographics

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



Prineville Area Top Employers		
Employer	Employees 2017	Employees 2018
Les Schwab Distribution Center/Retail	400	400
Crook County School District	388	343
Brasada Ranch	285	265
Contact Industries	229	250
St. Charles Health Systems	221	235
Crook County	207	211
Facebook Data Center	200	200
Western Heavy Haul & SMAF	129	121
Ochoco National Forest	117	117

Source: Economic Development of Central Oregon

Age, Education and Wage Data	
Oregon's average household income	\$53,270
Prineville's average household income	\$31,669
Median age	40.5
Percent aged 65 years old and over	19.7%
Percent aged 17 years old and under	17.0%
High school graduate or higher, age of at least 25 years	84.9%
Bachelor's degree or higher, age of at least 25 years	11.9%
Persons in poverty	25.7%

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

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

Source: US Census Bureau and Economic Development of Central Oregon

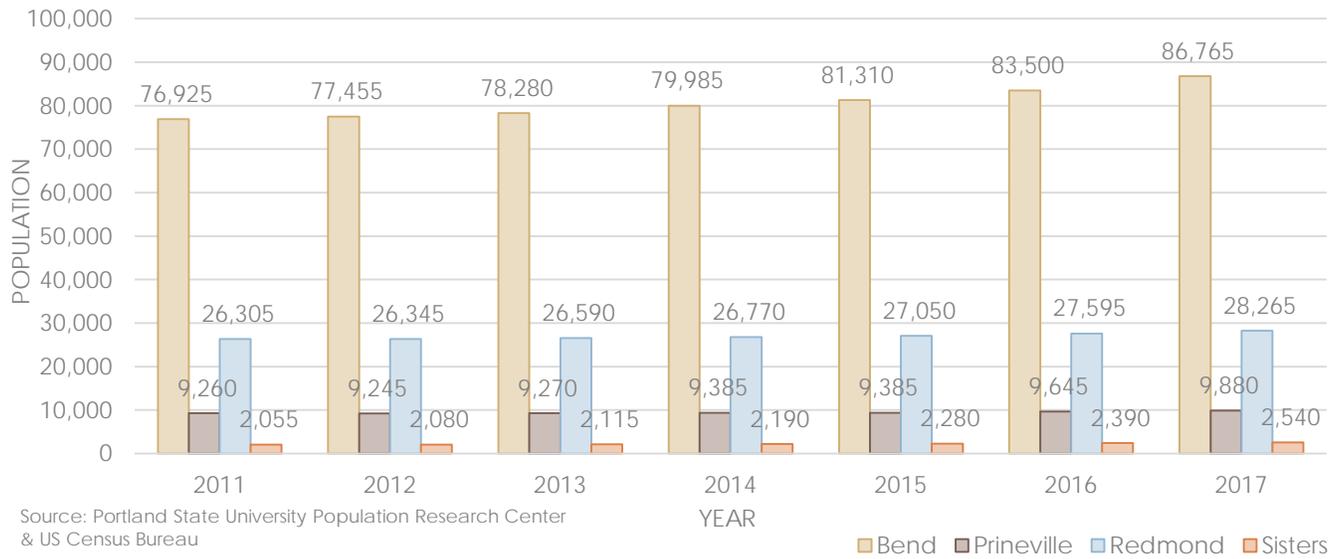
Regional Comparisons

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

Crook County School District and Sisters School District has seen a slight decrease in attendance for 2018. School enrollments for other communities in the Central Oregon region are experiencing slight increase



Regional Population Comparison Comparison Against Largest Local Cities by Year



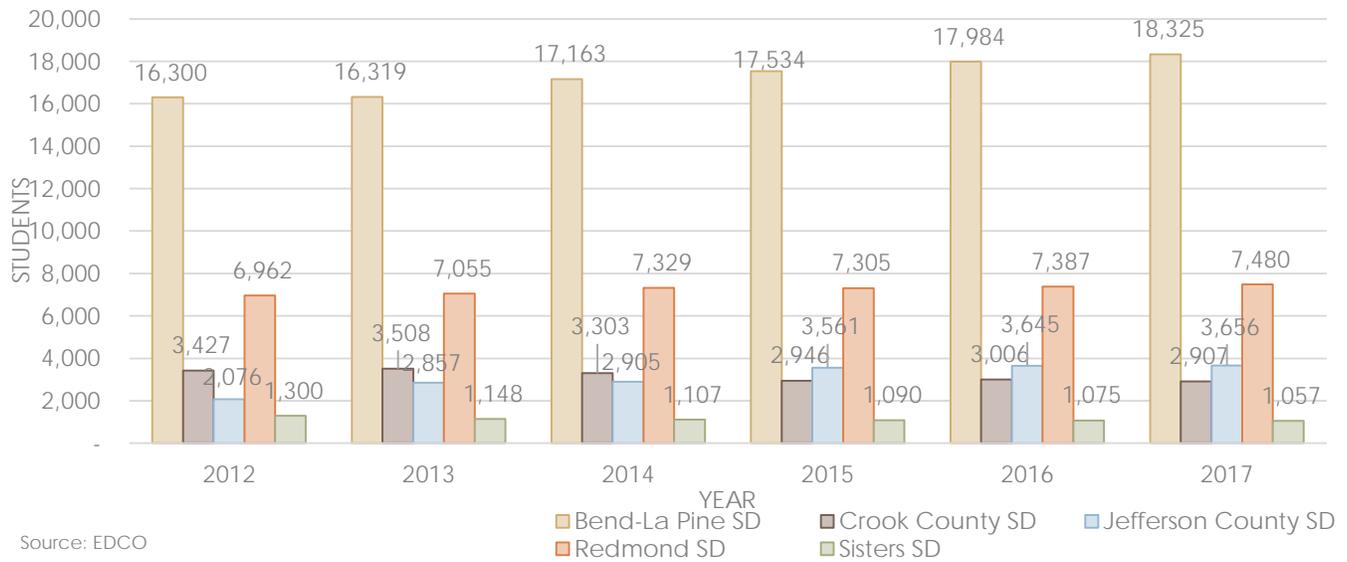
Citizens watch from the annual horse races from the stands in July 2017.



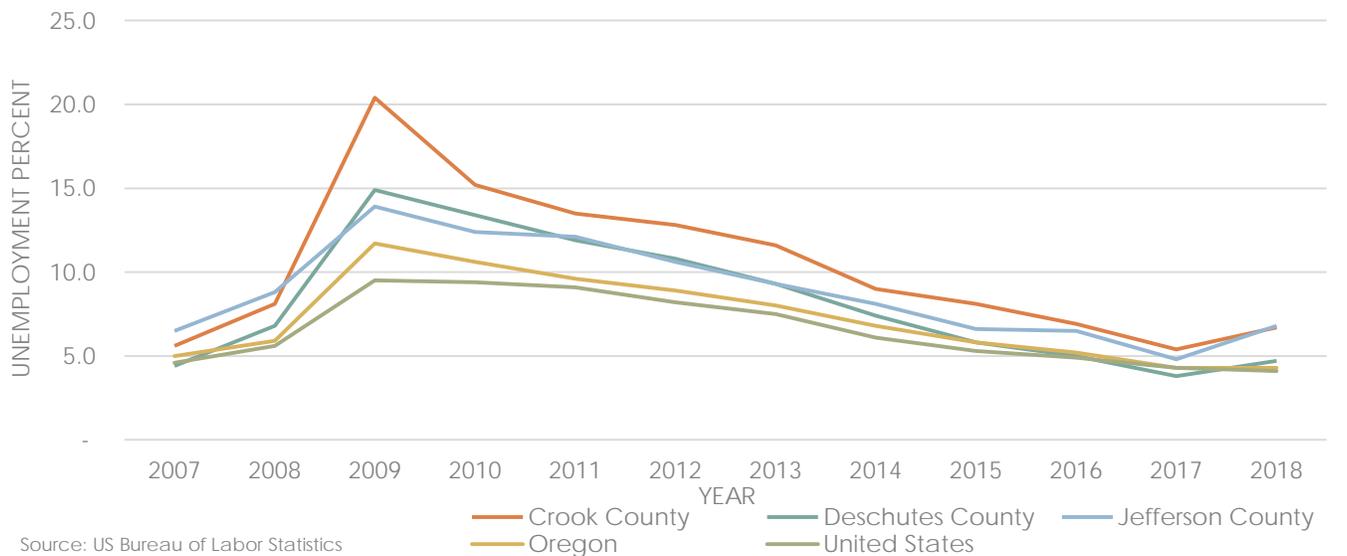


View from the parking lot of the newly acquired Barnes Butte Recreational Area.

Student Enrollment Students Registered with Local Districts by Year



Unemployment Trends Regional Unemployed Workforce Comparison





City of Prineville

Adopted Fiscal Year 2018-2019 Budget





*Budgeting in the
City of Prineville*

Adopted Fiscal Year 2018-2019 Budget





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Budget Committee Members	
Council Members	Citizen Members
Mayor Betty Roppe	Marty Bailey
Jason Beebe	Casey Daly
Gail Merritt	Caroline Ervin
Jeff Papke	Henry Hartley
Dean Noyes	Greg Munn
Teresa Rodriguez	Bruce Peet
Steve Uffelman	Dr. Paul Slater

The Budget Process

A budget is defined by Oregon State Law (Oregon Revised Statutes, Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. 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 19 Budget Calendar

Date	Action
January 24, 2018	Staff preliminary budget goals due.
January 31, 2018	Finance distributes budget worksheet/budget calendar.
January 31, 2018	Departments begin year-end estimate process.
February 21, 2018	Personnel changes from department managers for FY 19 budget.
February 21, 2018	Year-end estimates from department managers.
February 27, 2018	Prineville City Council workshop to establish goals for year.
February 27, 2018	Council adopts goals.
March 1, 2018	Manager and Finance Department estimate personnel budgets for FY 19.
March 6, 2018	Department budget proposals for the upcoming budget are provided to Finance Department.
March 6, 2018	Capital improvement plans (CIP) updated by department managers for FY 19 budget. Departments determine that objectives are in line with council goals.
March 9, 2018	Finance estimates beginning cash balances for FY 19 budget.
March 26, 2018	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, 2018	Department managers update year-end estimates.
April 20, 2018	Finance director distributes proposed department budgets, including narrative, to city manager and department managers.
April 27, 2018	Department managers review budget numbers/narrative and sign off on proposed budget.
May 16, 2018	Finance updates budget reflecting changes made by the city manager or department managers.
May 18, 2018	Budget is printed.
May 22, 2018	First budget committee meeting: Budget message, distribute budget document, management presentation and review of current year to date information, discuss budget process, roles and responsibilities, CIPs and department presentation.
June 4, 2018	Second budget meeting.
June 15, 2018	Department managers update year-end estimates.
June 26, 2018	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 2016-2017 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 *	1,570,940	972,042	598,898	Yes	535,190	N/A	1,507,232	63,708	Yes
Transportation	336,757	111,150	225,607	Yes	85,690	N/A	196,840	139,917	Yes
Emergency Dispatch	280,159	186,425	93,734	Yes	84,820	N/A	271,245	8,914	Yes
Planning	51,180	46,800	4,380	Yes	N/A	N/A	46,800	4,380	Yes
PERS/POB Fund	898,403	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	889,810	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	159,291	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	190,504	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad *	1,160,021	707,500	452,521	Yes	419,704	N/A	1,127,204	32,816	Yes
Airport	48,088	162,583	-114,495	No	458,025	N/A	620,608	-572,520	No
Water *	688,061	465,525	222,536	Yes	214,688	609,960	1,290,173	-602,112	Yes
Wastewater *	1,170,057	1,053,200	116,857	Yes	116,505	747,540	1,917,245	-747,188	Yes
Golf Course and Restaurant	466,931	237,317	229,615	Yes	72,720	N/A	310,037	156,895	Yes
Admin/Financial Support Services	346,855	319,710	27,145	Yes	N/A	N/A	319,710	27,145	Yes
Public Works Support Services	250,275	249,015	1,260	Yes	N/A	N/A	249,015	1,260	Yes
Building Facilities/Property Fund	319,658	78,390	241,268	Yes	N/A	N/A	78,390	241,268	Yes
Plaza Maintenance	42,605	2,100	40,505	Yes	N/A	N/A	2,100	40,505	Yes
Total	8,869,595	4,591,757	2,139,830	12 out of 13	1,987,342	1,357,500	7,936,599		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.

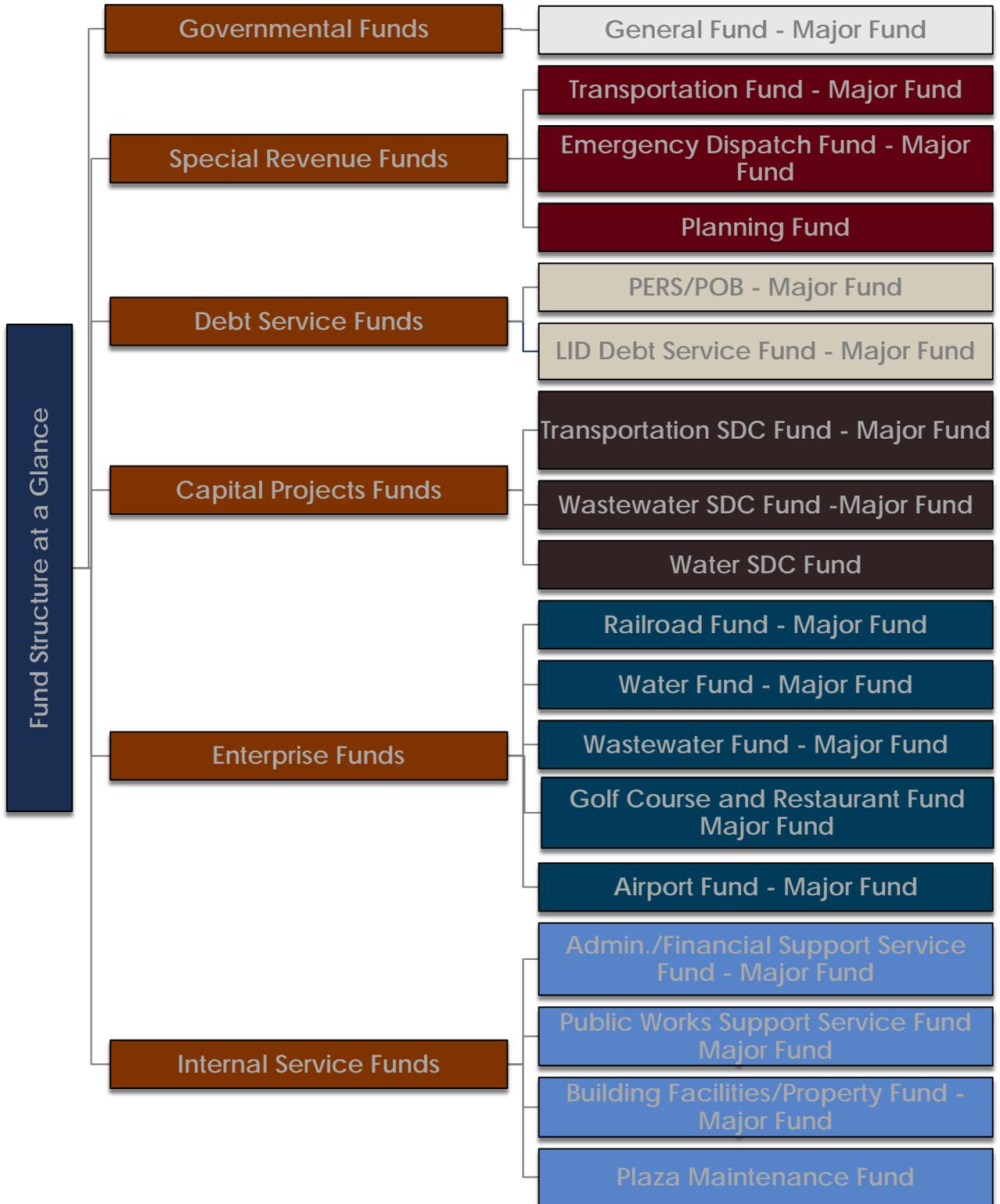
Capital improvement plan (CIP) – the CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, stormwater, wastewater, information technology, city facilities, and vehicles.

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 19 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.



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



General Fund

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

Special Revenue Funds

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



Paving a residential street in the September 2017.

Transportation Operations Fund

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

Emergency Dispatch Fund

The Emergency Dispatch Fund accounts for the activities of the 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.

Capital Project Fund

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

Transportation SDC Fund

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

Water SDC Fund

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

Wastewater SDC Fund

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



Equipment works on trenching up the hillside in April 2018.

Proprietary Fund

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



Enterprise Funds

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

Railroad Fund

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



Injector getting replaced in the locomotive at the freight depot.

Airport Fund

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

Water Fund

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

Wastewater Fund

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

Golf Course Fund

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





Sunset at Meadow Lakes Golf Course in November 2017.

Internal Service Funds

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

Administrative and Financial Services Fund

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

Building Facilities/Property Fund

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



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



Plaza Maintenance Fund

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

Public Works Support Services Fund

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

Fiduciary Fund

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

Park Development Account

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



Wildland Firefighters Monument in Ochoco Creek Park.

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	\$	877,909,589
Debt limit: 3% of real market value	\$	26,337,288
Less outstanding debt subject to legal limit (net)	\$	3,949,396
Legal debt margin	\$	22,387,892



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 \$3,949,396 of debt subject to the legal limit (ORS 287.004 (2)) as of June 30, 2017. This includes a full faith & credit borrowing dated August 9, 2006 for the Ironhorse local improvement district in the amount of \$1,247,595, full faith and credit borrowing for pension obligation bonds dated January 23, 2014 in the amount of \$2,570,000, and a full faith and credit obligation for the purchase of golf carts in the amount of \$131,801 issued June 26, 2015. The City does not currently have plans at this time to seek voter approval of general obligation bonds. The FY 19 budget proposes new debt in the amount of \$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, 2019

Debt Schedules are Unaudited

Fiscal Year	Principal	Interest	Total	Balance
2018				19,379,929
2019	1,200,864	652,912	1,853,776	18,179,064
2020	1,339,787	538,479	1,878,266	16,839,278
2021	1,385,571	496,269	1,881,839	15,453,707
2022	1,381,900	454,780	1,836,680	14,071,807
2023	1,446,084	411,507	1,857,591	12,625,724
2024	1,400,653	365,897	1,766,551	11,225,070
2025	1,460,258	321,234	1,781,491	9,764,812
2026	1,516,409	274,361	1,790,770	8,248,404
2027	1,713,411	221,988	1,935,399	6,534,993
2028	857,941	173,831	1,031,772	5,677,052
2029	701,912	146,962	848,874	4,975,140
2030	727,938	128,684	856,622	4,247,201
2031	767,019	109,709	876,729	3,480,182
2032	111,158	89,689	200,848	3,369,024
2033	113,356	87,179	200,535	3,255,668
2034	115,613	84,609	200,222	3,140,055
2035	117,933	81,977	199,910	3,022,121
2036	120,317	79,280	199,598	2,901,804
2037	122,767	76,518	199,285	2,779,037
2038	125,283	73,689	198,972	2,653,754
2039	127,869	70,791	198,660	2,525,885
2040	130,526	67,821	198,347	2,395,359
2041	133,256	64,779	198,035	2,262,102
2042	136,062	61,661	197,722	2,126,041
2043	107,694	58,466	166,160	2,018,347
2044	110,655	55,505	166,160	1,907,691
2045	113,698	52,462	166,160	1,793,993
2046	116,825	49,335	166,160	1,677,168
2047	120,038	46,122	166,160	1,557,130
2048	123,339	42,821	166,160	1,433,791
2049	126,731	39,429	166,160	1,307,060
2050	130,216	35,944	166,160	1,176,844
2051	133,797	32,363	166,160	1,043,047
2052	137,476	28,684	166,160	905,571
2053	141,257	24,903	166,160	764,314
2054	145,141	21,019	166,160	619,173
2055	149,133	17,027	166,160	470,040
2056	153,234	12,926	166,160	316,806
2057	157,448	8,712	166,160	159,359
2058	159,359	4,382	163,741	-
	<u>19,379,929</u>	<u>5,664,707</u>	<u>25,044,636</u>	



Total Outstanding Debt
June 30, 2019
Governmental-type Funds

Total Outstanding Debt
June 30, 2019
Business-type Funds

Fiscal Year	Governmental				Fiscal Year	Enterprise			
	Principal	Interest	Total	Balance		Principal	Interest	Total	Balance
2018				4,752,857	2018				14,627,072
2019	332,865	203,618	536,484	4,419,991	2019	867,999	449,293	1,317,292	13,759,073
2020	375,052	173,120	548,173	4,044,939	2020	964,734	365,359	1,330,093	12,794,339
2021	400,434	158,657	559,091	3,644,505	2021	985,136	337,612	1,322,748	11,809,202
2022	425,918	143,050	568,968	3,218,587	2022	955,982	311,730	1,267,711	10,853,221
2023	457,506	126,298	583,804	2,761,081	2023	988,578	285,209	1,273,787	9,864,642
2024	387,992	108,124	496,116	2,373,089	2024	1,012,662	257,774	1,270,435	8,851,981
2025	416,008	91,587	507,595	1,957,081	2025	1,044,249	229,647	1,273,896	7,807,732
2026	450,057	73,729	523,786	1,507,024	2026	1,066,352	200,632	1,266,984	6,741,380
2027	891,024	51,012	942,036	616,000	2027	822,387	170,977	993,364	5,918,993
2028	296,000	20,874	316,874	320,000	2028	561,941	152,957	714,898	5,357,052
2029	104,000	8,544	112,544	216,000	2029	597,912	138,418	736,330	4,759,140
2030	107,000	5,767	112,767	109,000	2030	620,938	122,917	743,855	4,138,202
2031	109,000	2,910	111,910	-	2031	658,019	106,799	764,818	3,480,182
2032	-	-	-	-	2032	111,158	89,689	200,848	3,369,024
2033	-	-	-	-	2033	113,356	87,179	200,535	3,255,668
2034	-	-	-	-	2034	115,613	84,609	200,222	3,140,055
2035	-	-	-	-	2035	117,933	81,977	199,910	3,022,121
2036	-	-	-	-	2036	120,317	79,280	199,598	2,901,804
2037	-	-	-	-	2037	122,767	76,518	199,285	2,779,038
2038	-	-	-	-	2038	125,283	73,689	198,972	2,653,754
2039	-	-	-	-	2039	127,869	70,791	198,660	2,525,885
2040	-	-	-	-	2040	130,526	67,821	198,347	2,395,359
2041	-	-	-	-	2041	133,256	64,779	198,035	2,262,102
2042	-	-	-	-	2042	136,062	61,661	197,722	2,126,041
2043	-	-	-	-	2043	107,694	58,466	166,160	2,018,347
2044	-	-	-	-	2044	110,655	55,505	166,160	1,907,691
2045	-	-	-	-	2045	113,698	52,462	166,160	1,793,993
2046	-	-	-	-	2046	116,825	49,335	166,160	1,677,168
2047	-	-	-	-	2047	120,038	46,122	166,160	1,557,130
2048	-	-	-	-	2048	123,339	42,821	166,160	1,433,791
2049	-	-	-	-	2049	126,731	39,429	166,160	1,307,060
2050	-	-	-	-	2050	130,216	35,944	166,160	1,176,844
2051	-	-	-	-	2051	133,797	32,363	166,160	1,043,047
2052	-	-	-	-	2052	137,476	28,684	166,160	905,571
2053	-	-	-	-	2053	141,257	24,903	166,160	764,314
2054	-	-	-	-	2054	145,141	21,019	166,160	619,173
2055	-	-	-	-	2055	149,133	17,027	166,160	470,040
2056	-	-	-	-	2056	153,234	12,926	166,160	316,806
2057	-	-	-	-	2057	157,448	8,712	166,160	159,359
2058	-	-	-	-	2058	159,359	4,382	163,741	-
	4,752,857	1,167,290	5,920,147			14,627,072	4,497,417	19,124,489	



Total Outstanding City Debt by Fund June 30, 2019

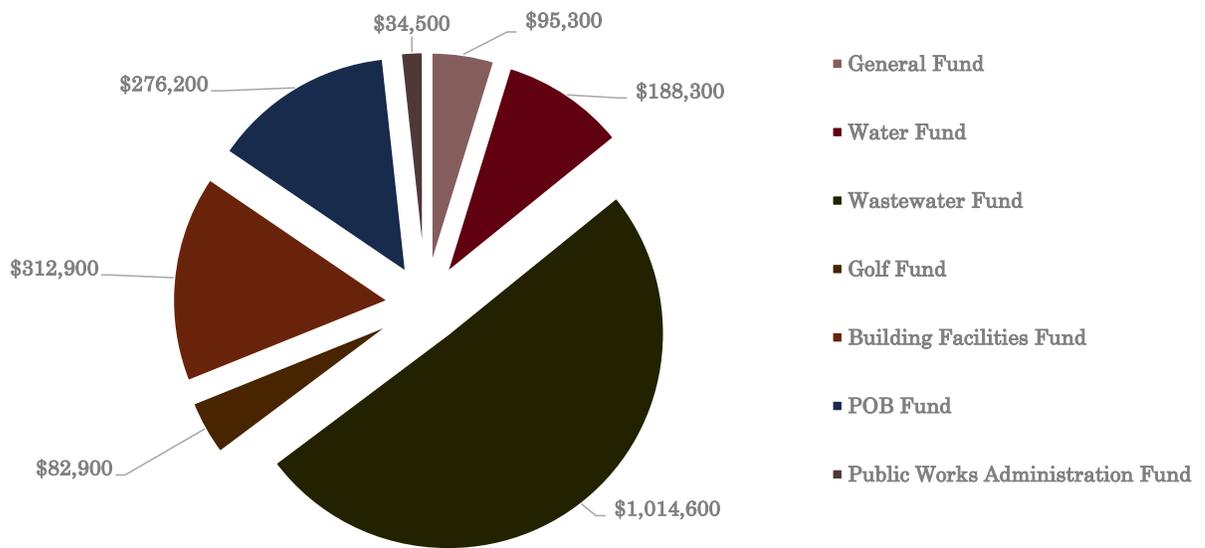
Governmental Type Funds	Principal	Interest	Total
City Hall - Rural Development	1,208,000	253,464	1,461,464
Pension Obligation Bond - 2014	2,425,000	716,547	3,141,547
BOTC - Ironhorse Property Aquisition	686,857	154,234	841,091
The Commerce Bank - Police Vehicles	433,000	43,046	476,046
			-
<hr/>			
Business Type Funds			-
Water - 2017 FFCO	2,271,000	505,401	2,776,401
Wastewater - 2017 FFCO	2,650,000	589,746	3,239,746
Wastewater - DEQ R74682	4,388,244	603,135	4,991,379
Wastewater - USDA Wetlands	4,000,000	2,643,981	6,643,981
Wastewater - IFA Wetlands	750,000	93,750	843,750
Golf - 2017 FFCO	394,000	54,157	448,157
Golf - BOTC FFCO	107,320	4,752	112,072
Public Works - KS St Bank Note Payable	66,508	2,494	69,002
			-
	\$ 19,379,929	\$ 5,664,707	\$25,044,636

Summary of Debt Service Payments FY 19

	Principal	Interest	Total
General Fund			
Police Vehicles	78,600	16,700	95,300
Water Fund			
2017 FFCO	102,000	86,300	188,300
Wastewater Fund			
2017 FFCO	119,100	100,700	219,800
DEQ R74682	461,600	125,700	587,300
2017 USDA	56,200	110,000	166,200
2017 State of Oregon IFA	31,300	10,000	41,300
Golf Fund			
2017 FFCO	40,000	15,000	55,000
BOTC FFCO	25,200	2,700	27,900
Building Facilities Fund			
Rural Development	67,000	45,900	112,900
Police Facility *	24,000	26,000	50,000
Barnes Butte Property	128,700	21,300	150,000
POB Fund			
Pension Obligation Bond	182,100	94,100	276,200
Public Works Administration Fund			
Kansas State Bank	32,800	1,700	34,500

* Police facility is an estimate, we have not incurred the debt







Consolidated Budgets & Analysis

Adopted Fiscal Year 2018-2019 Budget



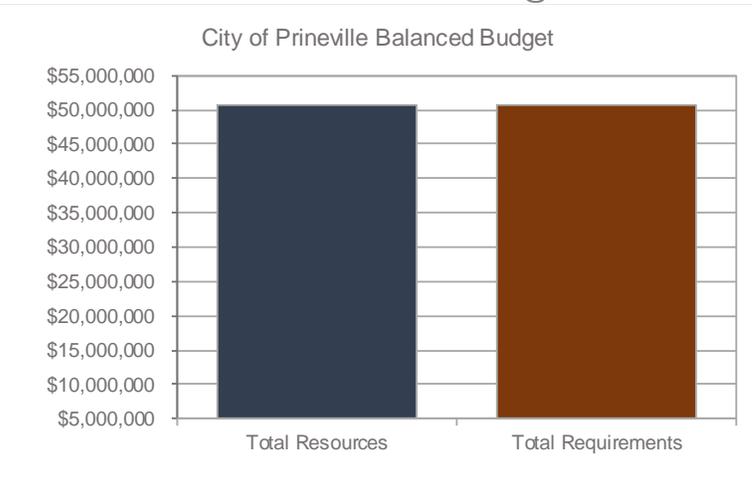


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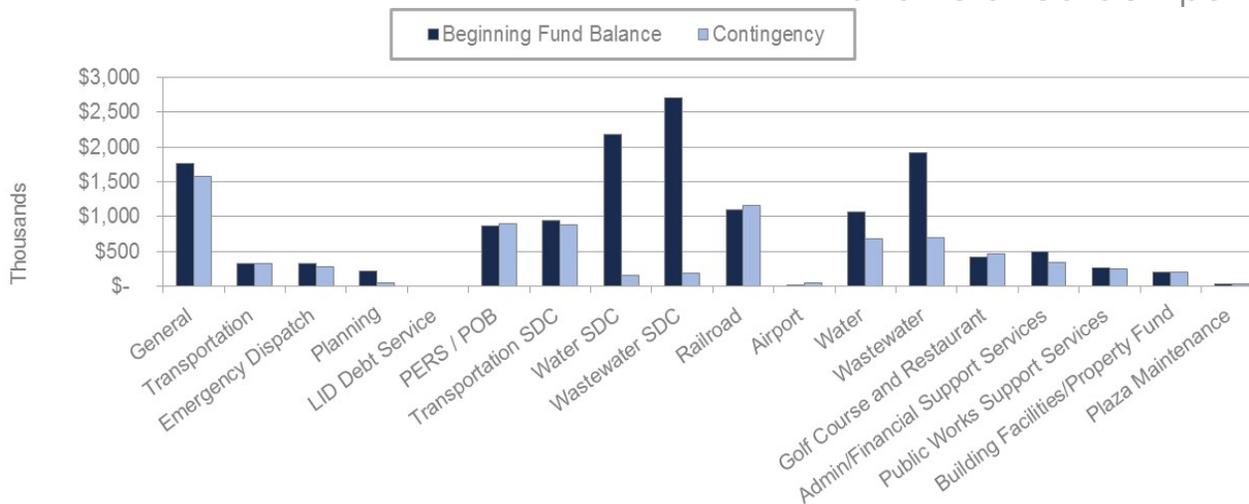


Balanced FY 18-19 Budget Summary

Balanced Budget Summary	
Beginning Fund Balance	\$14,841,495
Other Resources	-
Current Year Resources	35,855,000
Total Resources	\$ 50,696,495
Requirements	\$41,826,900
Contingency	8,286,495
Other Requirements	583,100
Total Requirements	\$ 50,696,495
Difference	-



Charts and Graphs FY 19 Beginning and Ending Fund Balance Comparison

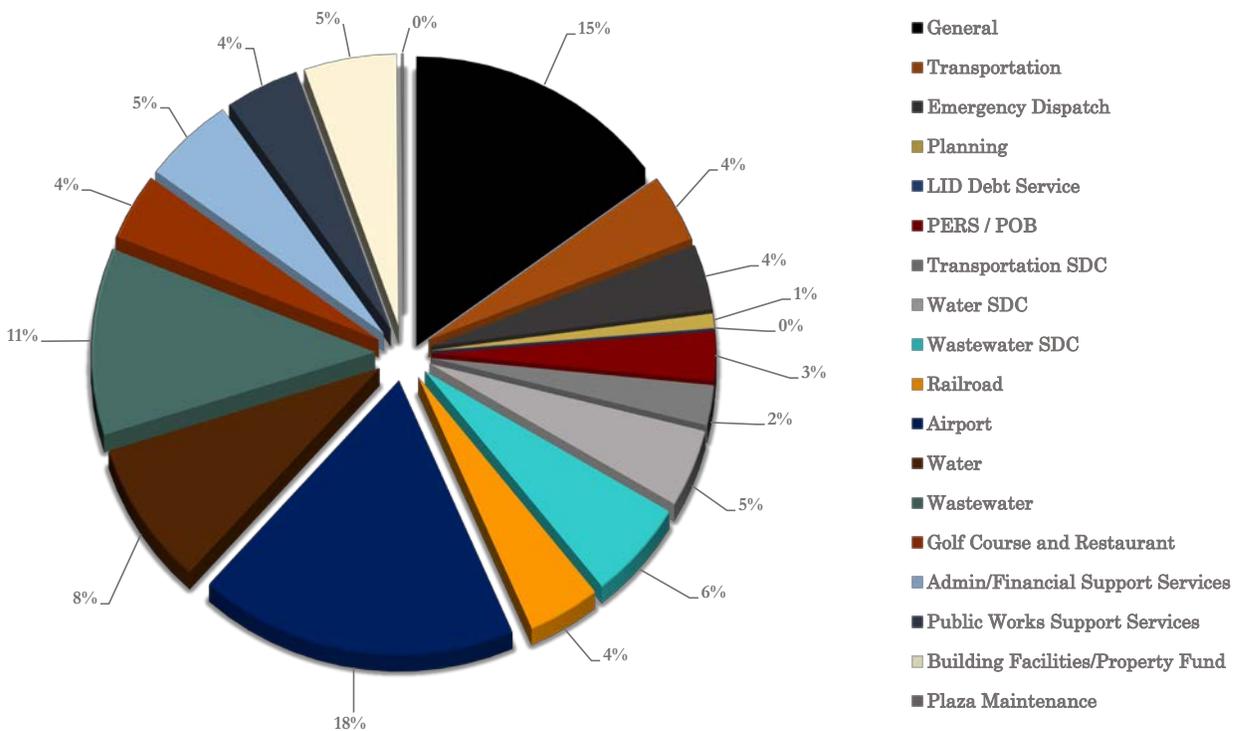
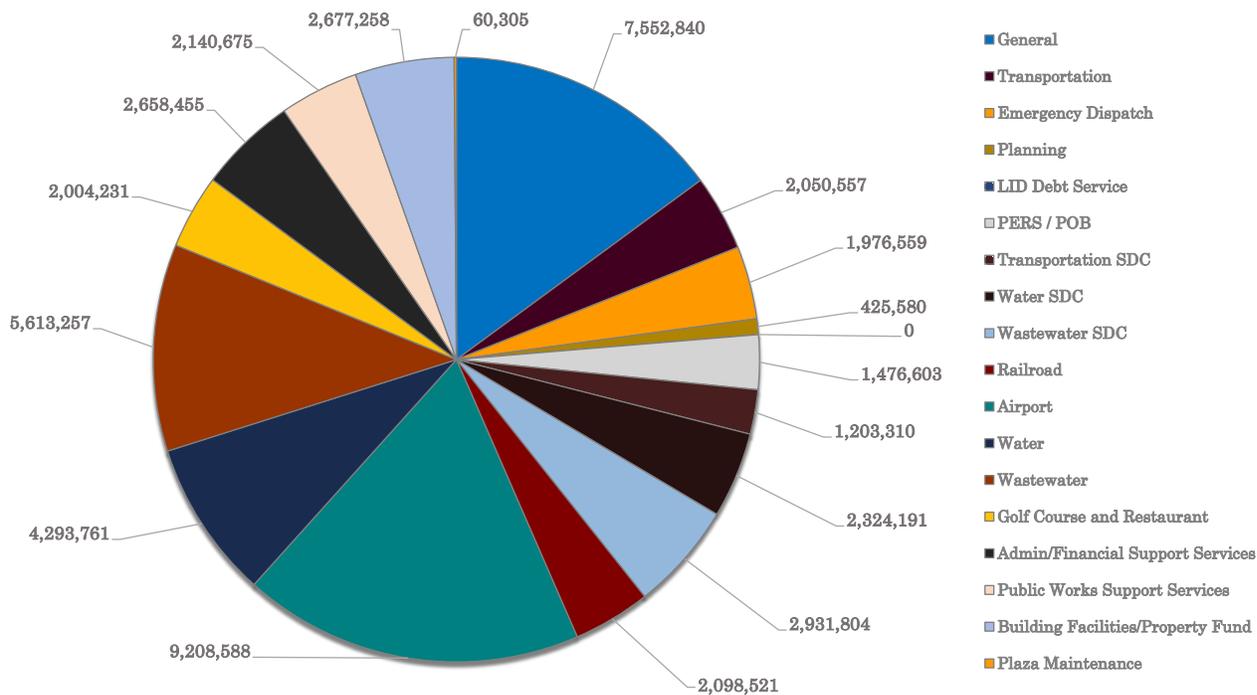


**Detailed discussion of changes in beginning and ending fund balance included in specific fund detail pages of the budget document.*

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.*



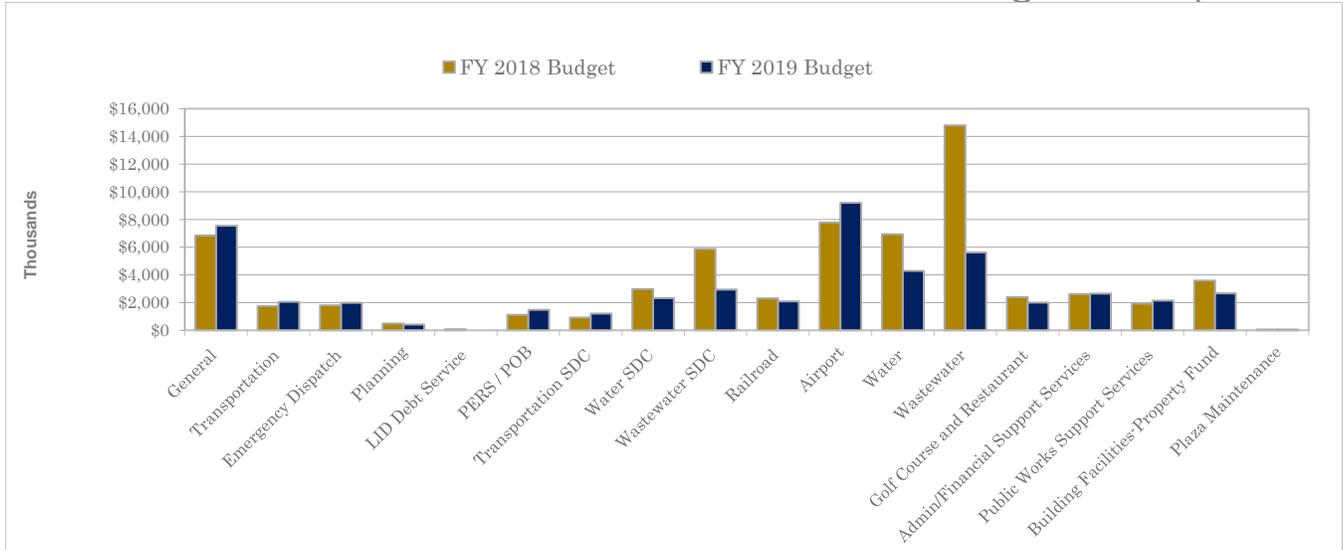
FY 18 & 19 Budget Comparison

Fund	FY 2018 Budget	FY 2019 Budget	Percent Change
General	\$6,841,636	\$7,552,840	10%
Transportation	\$1,754,086	\$2,050,557	17%
Emergency Dispatch	\$1,799,873	\$1,976,559	10%
Planning	\$496,921	\$425,580	-14%
LID Debt Service	\$72,185	\$0	-100%
PERS / POB	\$1,127,880	\$1,476,603	31%
Transportation SDC	\$915,954	\$1,203,310	31%
Water SDC	\$2,976,507	\$2,324,191	-22%
Wastewater SDC	\$5,879,122	\$2,931,804	-50%
Railroad	\$2,302,766	\$2,098,521	-9%
Airport	\$7,787,163	\$9,208,588	18%
Water	\$6,941,314	\$4,293,761	-38%
Wastewater	\$14,782,341	\$5,613,257	-62%
Golf Course and Restaurant	\$2,401,508	\$2,004,231	-17%
Admin/Financial Support Services	\$2,612,480	\$2,658,455	2%
Public Works Support Services	\$1,936,765	\$2,140,675	11%
Building Facilities-Property Fund	\$3,580,047	\$2,677,258	-25%
Plaza Maintenance	\$52,952	\$60,305	14%
Total	\$64,261,500	\$50,696,495	-21%

Original FY 2018 adopted budget totaled \$47,923,299, a supplemental budget was adopted in December 2017 to accomplish the advanced refunding, and additional capital projects. Funds affected were the Water and Wastewater SDC Funds, the Water and Wastewater Funds, Golf Course Fund, and the Building Facilities Fund.



FY 18 & FY 19 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/Property Fund

Public Works Admin Fund

- Departments
 - Council
 - Administration
 - Finance
 - Information Technology

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

- Departments
 - Support Services
 - Fleet Maintenance and Operations

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

Plaza Maintenance Fund



Budget Fund Structure

Governmental Funds				Proprietary Funds	
General Fund Major Fund	Special Revenue Funds	Debt Service Funds	Capital Improvement Funds	Enterprise Funds	Internal Service Funds
	Transportation Fund Major Fund	LID Debt Service Fund Major Fund	Transportation SDC Fund Major Fund	Railroad Fund Major Fund	Admin./ Financial Support Service Fund - Major Fund
	Emergency Dispatch Fund Major Fund	PERS/POB Debt Service Fund Major Fund	Water SDC Fund	Airport Fund Major Fund	Public Works Support Service Fund Major Fund
	Planning Fund		Wastewater SDC Fund Major Fund	Water Fund Major Fund	Building Facilities/ Property Fund Major Fund
				Wastewater Fund Major Fund	Plaza Maintenance Fund
				Meadow Lakes Golf Course Fund Major Fund	

All funds in the fund structure are appropriated funds in the FY 19 Budget.



Consolidated Budget FY 19

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 1,763,840	\$ -	\$ 5,789,000	\$ 5,981,900	\$ 1,570,940	\$ -	\$ 7,552,840	\$ 1,570,940
Transportation	323,857	-	1,726,700	1,713,800	336,757	-	2,050,557	336,757
Emergency Dispatch	334,359	-	1,642,200	1,696,400	280,159	-	1,976,559	280,159
Planning	221,980	-	203,600	374,400	51,180	-	425,580	51,180
LID Debt Service	-	-	-	-	-	-	-	-
PERS / POB	864,003	-	612,600	578,200	898,403	-	1,476,603	898,403
Transportation SDC	944,310	-	259,000	313,500	889,810	-	1,203,310	889,810
Water SDC	2,172,191	-	152,000	2,164,900	159,291	-	2,324,191	159,291
Wastewater SDC	2,699,804	-	232,000	2,741,300	190,504	-	2,931,804	190,504
Railroad	1,094,421	-	1,004,100	938,500	1,160,021	-	2,098,521	1,160,021
Airport	5,488	-	9,203,100	9,160,500	48,088	-	9,208,588	48,088
Water	1,065,261	-	3,228,500	3,605,700	688,061	-	4,293,761	688,061
Wastewater	1,911,257	-	3,702,000	4,443,200	699,857	470,200	5,613,257	1,170,057
Golf Course and Restaurant	416,731	-	1,587,500	1,537,300	466,931	-	2,004,231	466,931
Admin/Financial Support Services	499,855	-	2,158,600	2,311,600	346,855	-	2,658,455	346,855
Public Works Support Services	274,875	-	1,865,800	1,890,400	250,275	-	2,140,675	250,275
Building Facilities/Property Fund	209,358	-	2,467,900	2,357,600	206,758	112,900	2,677,258	319,658
Plaza Maintenance	39,905	-	20,400	17,700	42,605	-	60,305	42,605
Total	\$ 14,841,495	\$ -	\$ 35,855,000	\$ 41,826,900	\$ 8,286,495	\$ 583,100	\$ 50,696,495	\$ 8,869,595

Ending fund balance is equal to contingency and other requirements.



Consolidated Budget FY 18

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements
General	\$ 1,429,051	\$ -	\$ 5,412,585	\$ 5,351,900	\$ 1,489,736	\$ -	\$ 6,841,636
Transportation	195,486	-	1,558,600	1,541,900	212,186	-	1,754,086
Emergency Dispatch	312,273	-	1,487,600	1,544,900	254,973	-	1,799,873
Planning	95,121	-	401,800	399,200	97,721	-	496,921
LID Debt Service	72,185	-	-	72,185	-	-	72,185
PERS / POB Fund	556,480	-	571,400	272,000	855,880	-	1,127,880
Transportation SDC	556,954	-	359,000	27,800	888,154	-	915,954
Water SDC	86,207	-	2,890,300	2,666,500	310,007	-	2,976,507
Wastewater SDC	226,322	-	5,652,800	5,118,000	761,122	-	5,879,122
Railroad	1,101,566	-	1,201,200	974,600	1,328,166	-	2,302,766
Airport	156,563	-	7,630,600	7,671,700	115,463	-	7,787,163
Water	1,479,814	-	5,461,500	5,439,800	1,501,514	-	6,941,314
Wastewater	1,962,841	-	12,819,500	12,734,700	1,591,341	456,300	14,782,341
Golf Course and Restaurant	423,008	-	1,978,500	1,912,800	488,708	-	2,401,508
Admin/Financial Support Services	434,380	-	2,178,100	2,295,600	316,880	-	2,612,480
Public Works Support Services	298,765	-	1,638,000	1,710,000	226,765	-	1,936,765
Building Facilities /Property Fund	232,747	-	3,347,300	3,434,600	145,447	-	3,580,047
Plaza Maintenance	32,852	-	20,100	19,600	33,352	-	52,952
Total	\$ 9,652,615	\$ -	\$ 54,608,885	\$ 53,187,785	\$ 10,617,415	\$ 456,300	\$ 64,261,500



Consolidated Estimated 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	\$ 1,583,740	\$ -	\$ 6,241,700	\$ 6,061,600	\$ -	\$ -	\$ 6,061,600	\$ 1,763,840
Transportation	269,757	-	1,596,200	1,542,100	-	-	1,542,100	323,857
Emergency Dispatch	371,559	-	1,484,600	1,521,800	-	-	1,521,800	334,359
Planning	121,280	-	478,500	377,800	-	-	377,800	221,980
LID Debt Service	72,485	-	-	72,485	-	-	72,485	-
PERS/POB Fund	556,703	-	3,129,600	2,822,300	-	-	2,822,300	864,003
Transportation SDC	518,810	-	537,000	111,500	-	-	111,500	944,310
Water SDC	47,491	-	3,793,700	1,669,000	-	-	1,669,000	2,172,191
Wastewater SDC	60,804	-	6,088,200	3,449,200	-	-	3,449,200	2,699,804
Railroad	1,059,621	-	914,100	879,300	-	-	879,300	1,094,421
Airport Fund	65,888	-	1,056,600	1,117,000	-	-	1,117,000	5,488
Water	1,496,870	-	5,640,400	6,072,009	-	-	6,072,009	1,065,261
Wastewater	1,846,857	-	12,585,800	12,521,400	-	-	12,521,400	1,911,257
Golf Course and Restaurant	402,031	-	1,880,800	1,866,100	-	-	1,866,100	416,731
Admin/Financial Support Services	433,455	-	2,448,500	2,382,100	-	-	2,382,100	499,855
Public Works Support Services	302,675	-	1,741,800	1,769,600	-	-	1,769,600	274,875
City Hall Facilities	249,058	-	1,793,900	1,833,600	-	-	1,833,600	209,358
Plaza Maintenance	28,705	-	30,400	19,200	-	-	19,200	39,905
Total	\$ 9,487,789	\$ -	\$ 51,441,800	\$ 46,088,094	\$ -	\$ -	\$ 46,088,094	\$ 14,841,495

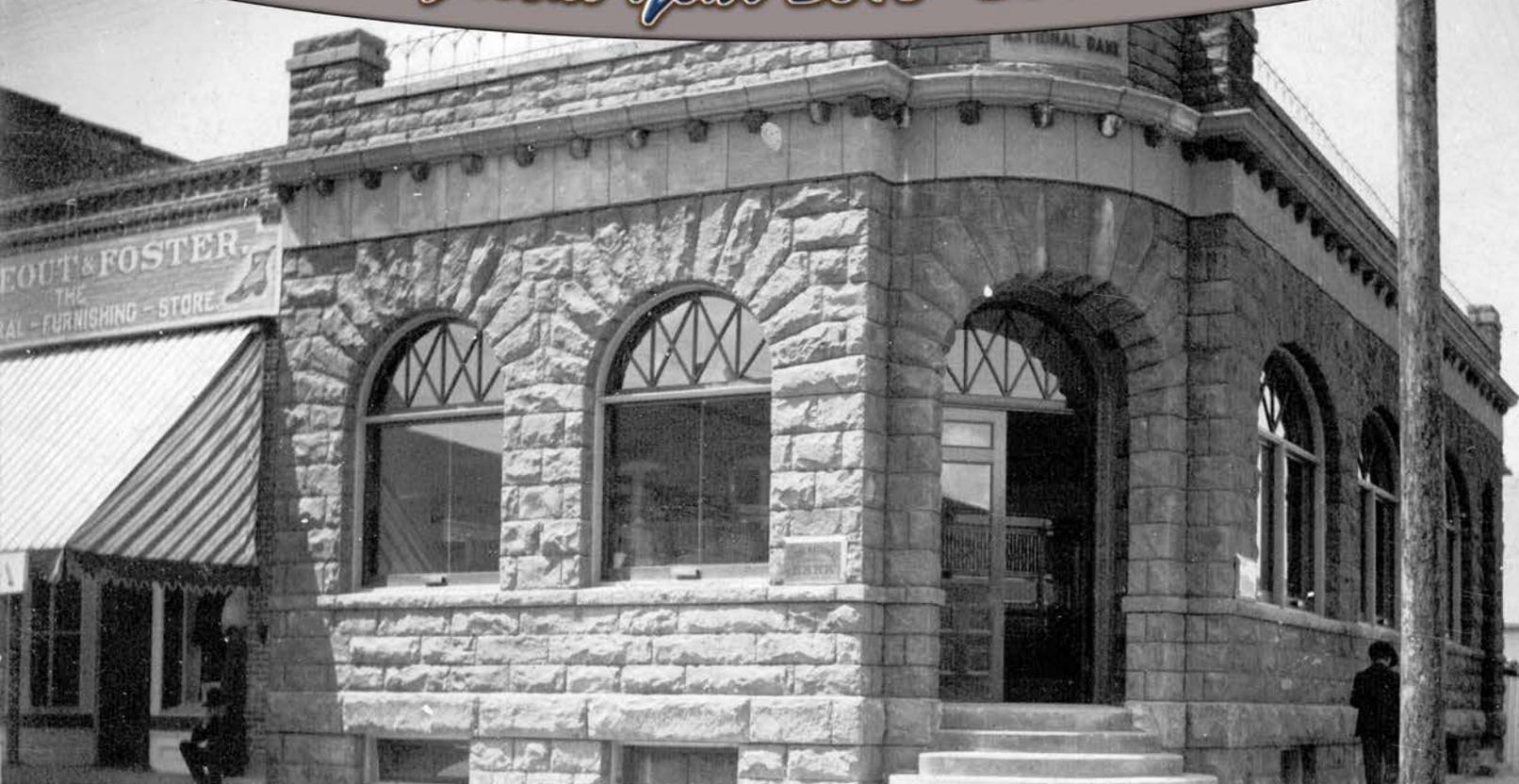


WELLS FARGO

Resource &

Requirement Analysis

Adopted Fiscal Year 2018-2019 Budget





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Resources and Requirements Overview

Resources	Actual FY 15-16	Actual FY 16-17	Budgeted FY 17-18	Estimated FY 17-18	Adopted Budget FY 18-19
Charges for services	12,288,106	13,128,372	14,247,400	16,166,700	14,624,500
Debt proceeds	2,655,125	2,924,578	11,651,000	13,545,100	500,000
Franchise fees	2,085,847	2,756,972	2,713,000	2,920,000	2,922,000
Intergovernmental revenue	2,435,051	5,762,879	10,422,600	2,728,700	11,888,000
Miscellaneous	1,300,527	2,545,941	1,095,300	1,088,900	1,129,700
Property taxes	1,843,406	1,963,049	2,050,000	2,065,000	2,140,000
System development charges	843,657	652,297	8,327,100	8,613,100	604,000
Transfers	1,366,105	1,703,119	4,102,485	4,314,300	2,046,800
Beginning Fund Balance	7,463,499	8,760,747	9,652,615	9,487,789	14,841,495
Total	32,281,323	40,197,955	64,261,500	60,929,589	50,696,495
Expenditures	Actual FY 15-16	Actual FY 16-17	Budgeted FY 17-18	Estimated FY 17-18	Adopted Budget FY 18-19
Personnel services	6,916,246	7,287,371	8,003,700	8,014,000	8,731,500
Materials and services	4,289,280	4,601,536	5,130,800	5,053,100	5,099,200
Franchise fee expense	259,000	286,000	296,000	296,000	307,000
Capital outlay	4,966,689	9,753,583	15,671,900	6,385,500	19,219,000
Transfers	5,132,661	5,726,425	8,805,385	8,930,585	6,440,500
Debt service	1,956,699	3,055,250	15,280,000	17,408,909	2,029,700
Contingency/Other Requirements	-	-	11,073,715	-	8,869,595
Total	23,520,575	30,710,165	64,261,500	46,088,094	50,696,495



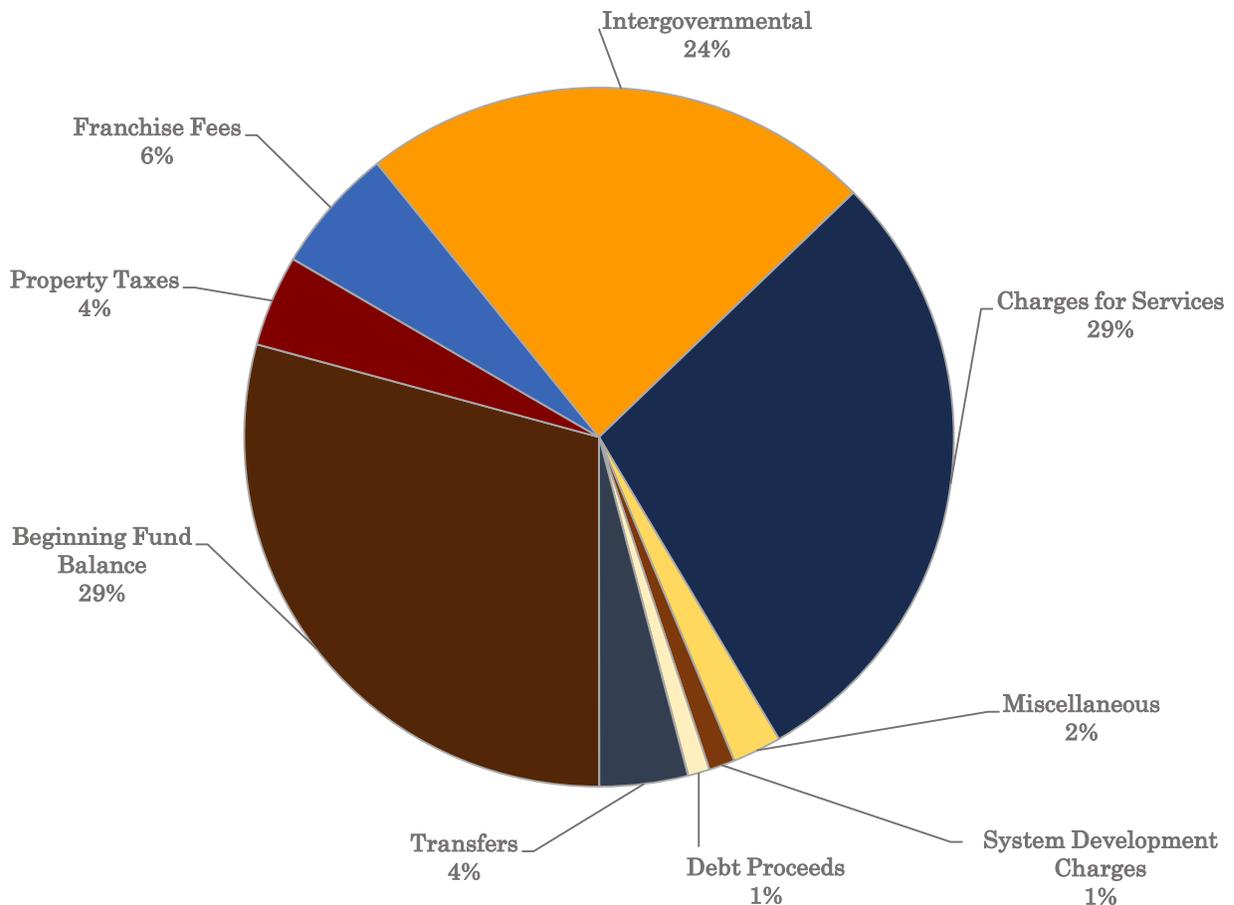
Types of Resources and Requirements

All Revenue Sources

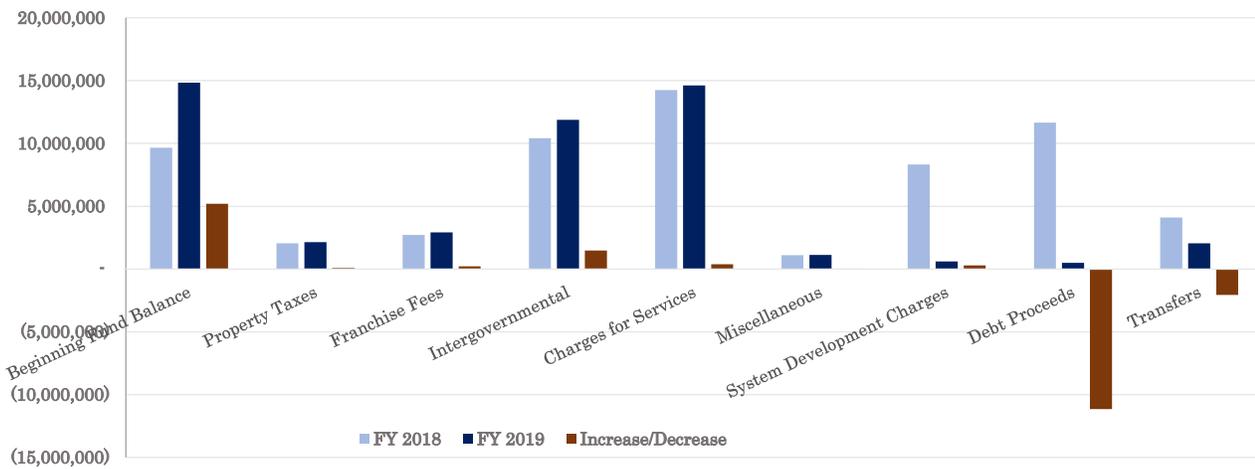
Nine main revenue categories comprise the revenue sources for the fiscal year 2019 budget. Of these nine categories, beginning fund balance and charges for service are the largest at 29 percent, intergovernmental revenue is at 23 percent, franchise fees is 6 percent, property taxes and transfers at 4 percent, miscellaneous income at 2 percent, and system development charges and debt proceeds are at 1 percent. The top six sources comprise 95 percent of total revenues. This section will examine these revenue sources, as well as property taxes.

Revenue Summary	
	Percent of Total
Beginning Fund Balance	29%
Property Taxes	4%
Franchise Fees	6%
Intergovernmental	24%
Charges for Services	29%
Miscellaneous	2%
System Development Charges	1%
Debt Proceeds	1%
Transfers	4%

All Revenue Sources

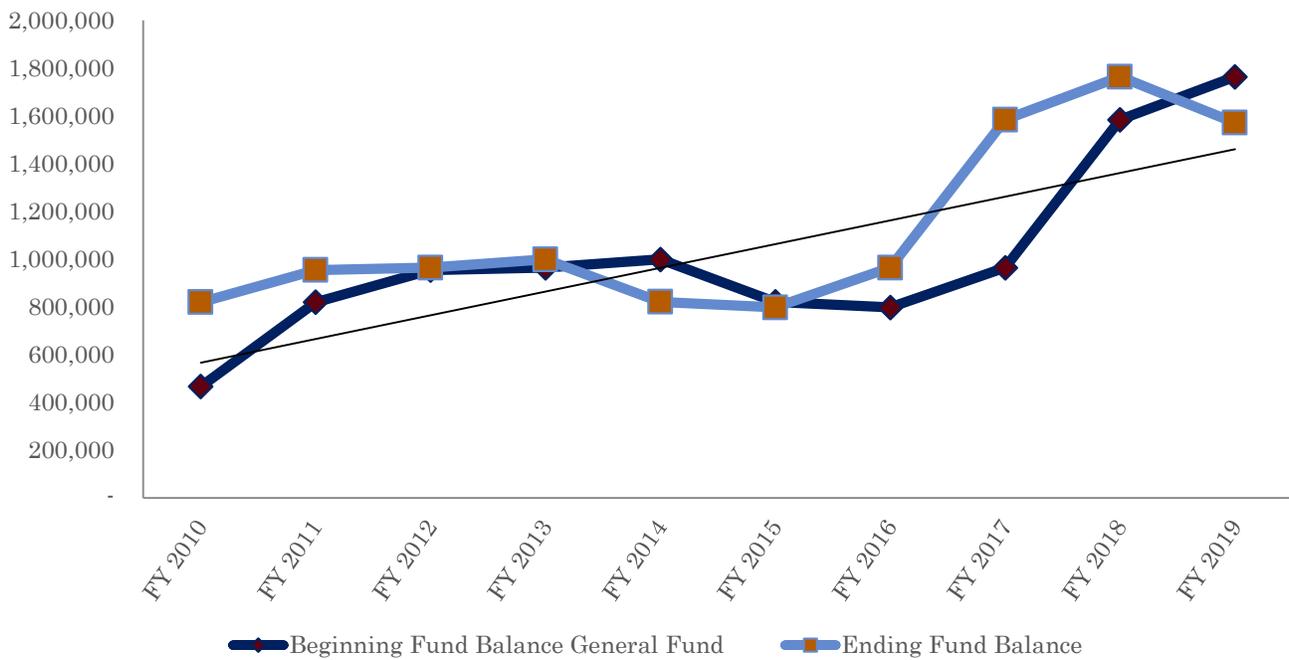


All Revenue Sources Comparison City of Prineville, FY 18 - FY 19



Significant increases to revenue sources include beginning fund balances, largely a result of electrical franchise fees in the General Fund and the system development fees paid by data center expansions in FY 18. Debt proceeds were significantly higher for FY 18 compared to FY 19 as a result of the advanced refunding of existing debt in December 2017.

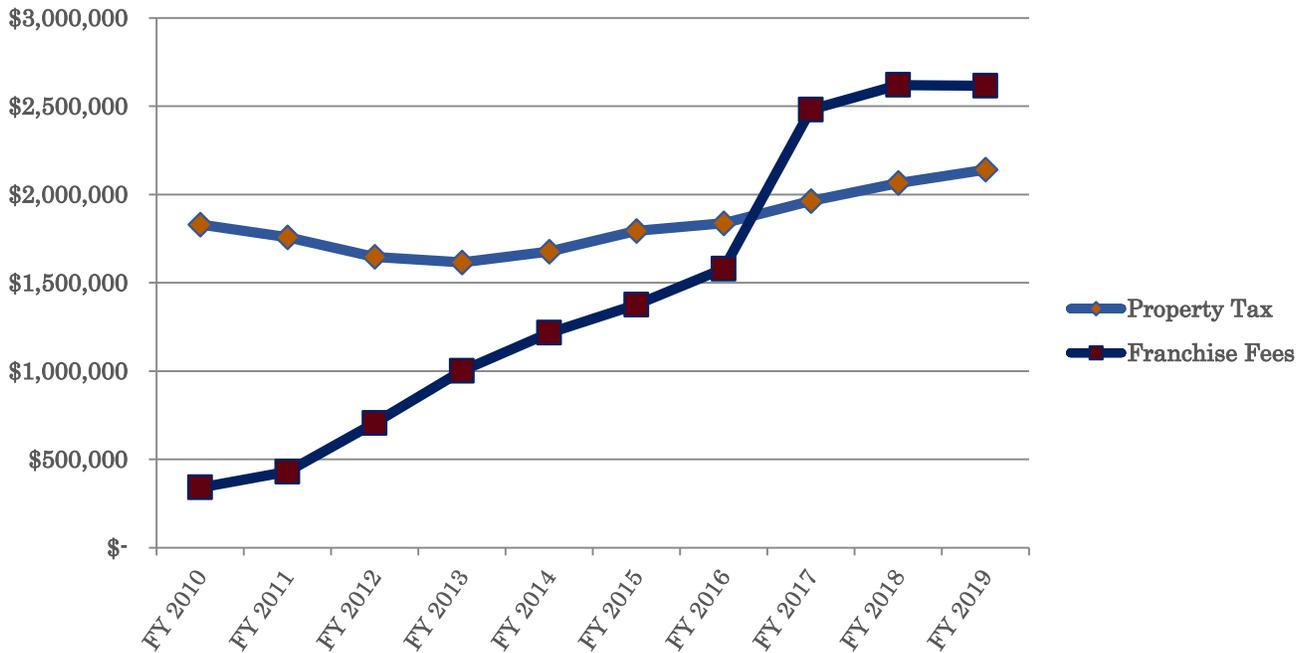
Beginning Fund Balance General Fund FY 19



General Fund beginning fund balance in FY 10 was \$465,841 and at the beginning of FY 18 totaled \$1.58 million, an improvement over the prior year of \$619,888. Year-end estimates project beginning fund balance for FY 19 to be \$1.76 million. Ending fund balance for FY 19 is projected at \$1.57 million, the General Fund meets the City's reserve policy requirements of \$1.50 million.

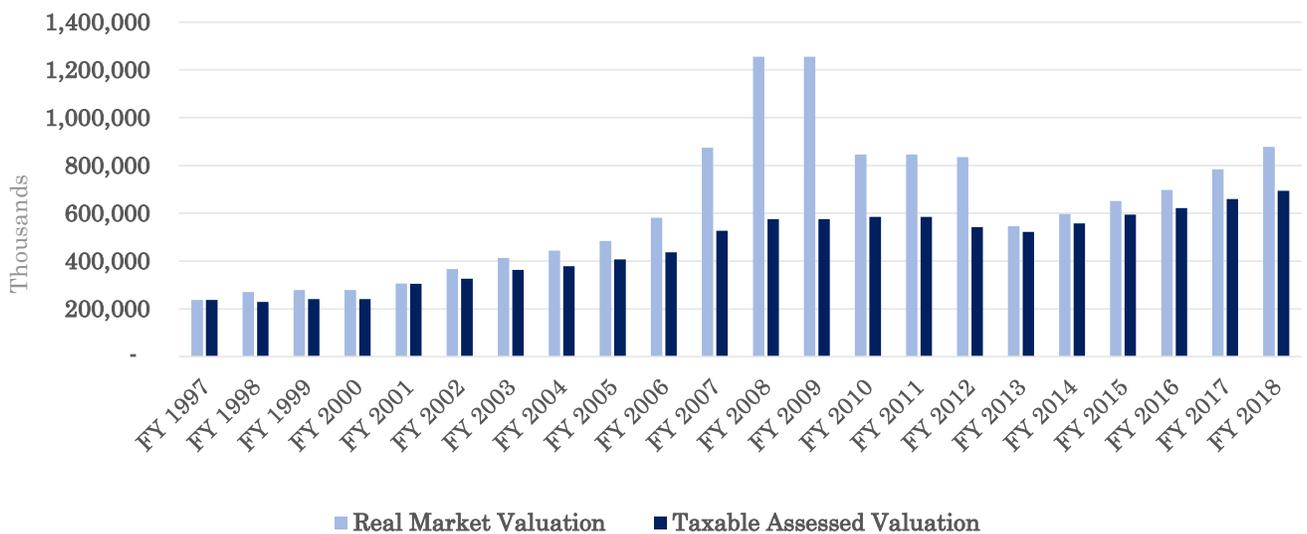


Revenue Collection Trend Property Tax and Electrical Franchise Fees FY 2010 – FY 2019



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

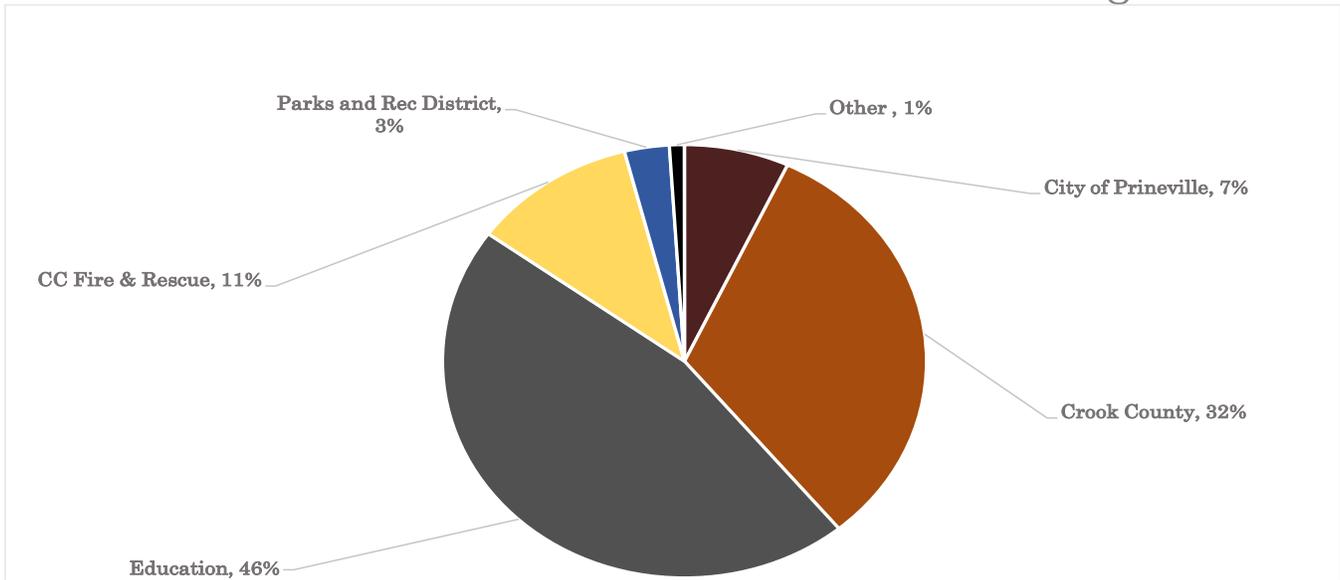
Real Market Value / Taxable Assessed Value City of Prineville, FY 1997 – FY 2018



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

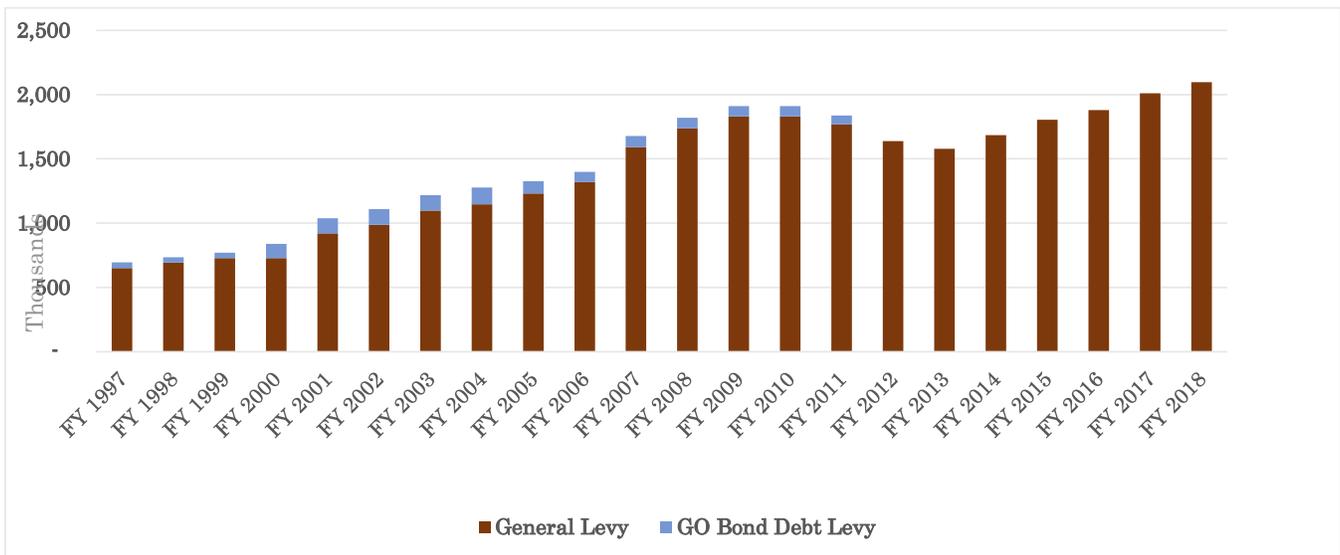


Taxing Districts Percentages FY 2019



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

Property Taxes Levied City of Prineville, FY 1997 – FY 2018

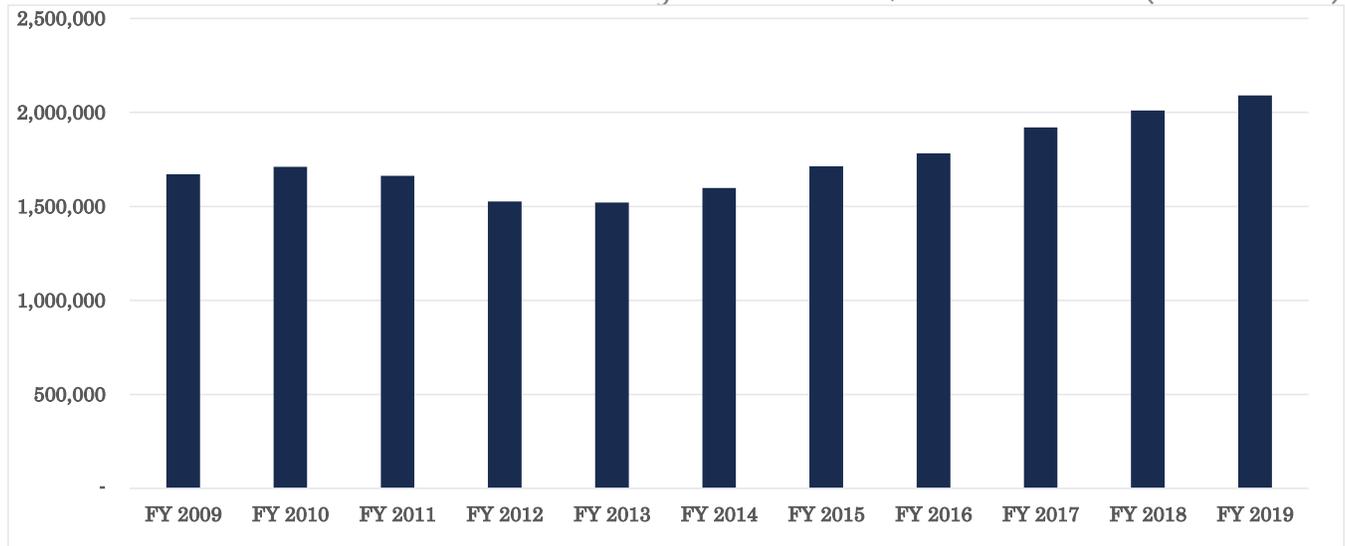


Taxable assessed value of property and the permanent property tax rate are used to calculate property taxes in the City of Prineville. Taxable assessed values of existing property are limited to an increase of 3 percent per year. Value added to a community via new construction increases the assessed value over the 3 percent growth rate limited by Measure 50. For FY 19, taxable assessed value is projected by the county assessor to increase approximately 4.5 to 5.5 percent over last year's imposed tax. The City is taking a conservative



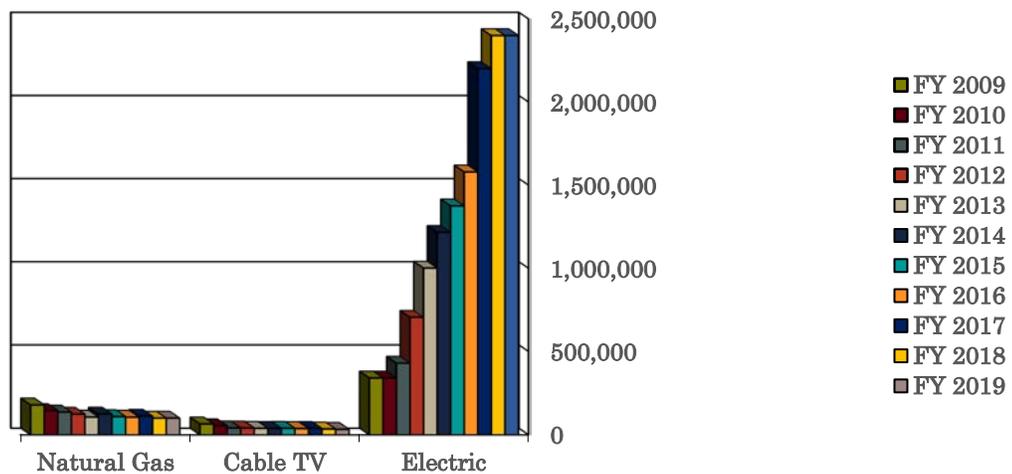
approach and estimated a 4 percent increase over the prior year. The general obligation bond for water improvement matured in FY 11.

Current Property Tax Collection City of Prineville, FY 09 – FY 19 (Estimated)



Property tax collection is estimated at \$2.09 million, an increase of roughly \$80,000 over prior year estimate.

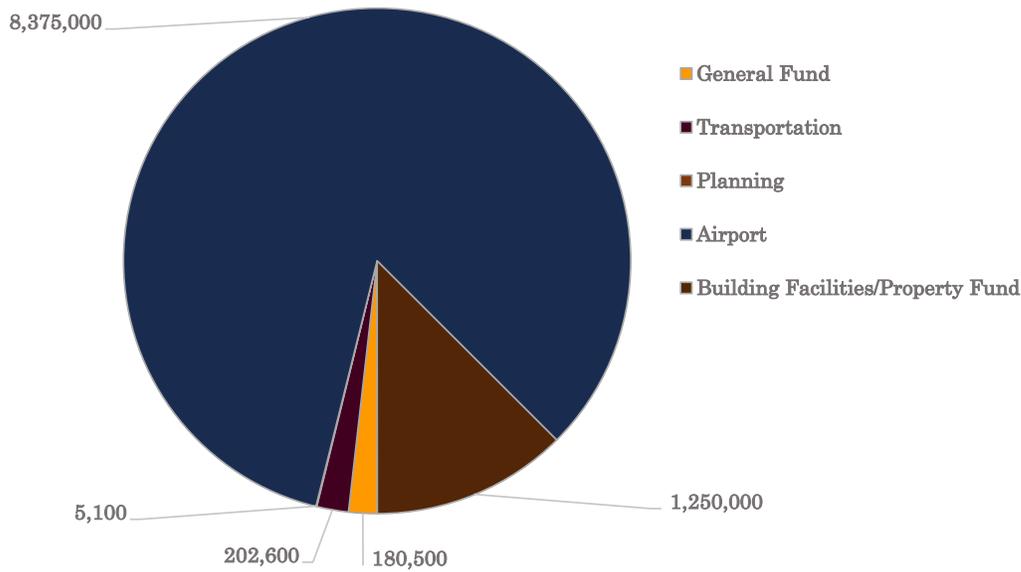
Franchise Fee Comparison General Fund FY 09 – FY 19



Franchise fees are estimated for FY 18 at \$2.62 million and projected collection for FY 19 is flat. This could prove to be a larger increase in FY 19 due to the pace that the data centers build out, however, the City is taking a conservative approach to possible additional revenue.

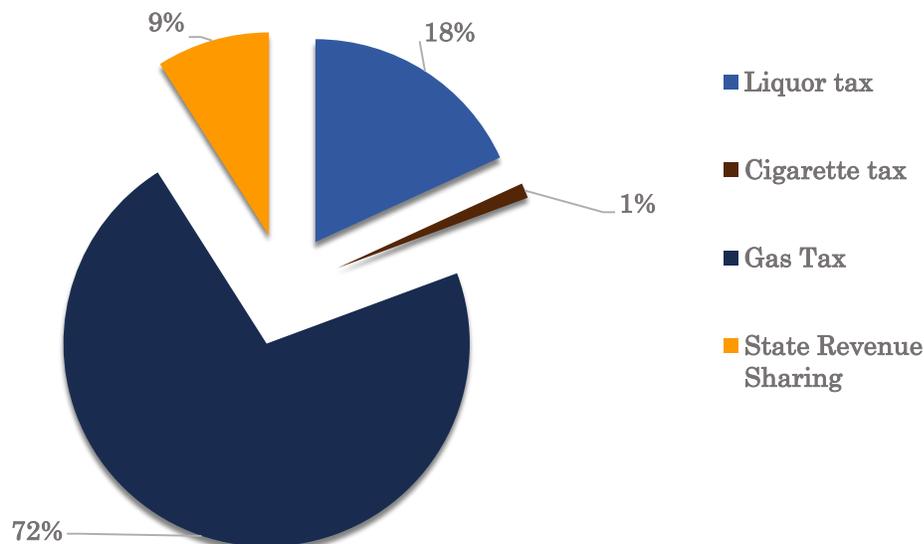


Intergovernmental Revenue Grant Revenue FY 19



Grant revenue totals \$10,013,200 for FY 19, the largest dollars going to the Airport Fund in the amount of \$8.38 million; \$1.8 million coming from Connect Oregon, \$1.61 million from Federal Aviation Administration (FAA) grants, intergovernmental revenue of \$4.89 million from Crook County, and \$75,000 from a state grant. Other grant dollars include Oregon Department of Transportation (ODOT) and the Transit grant in the Transportation Fund, Oregon 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.

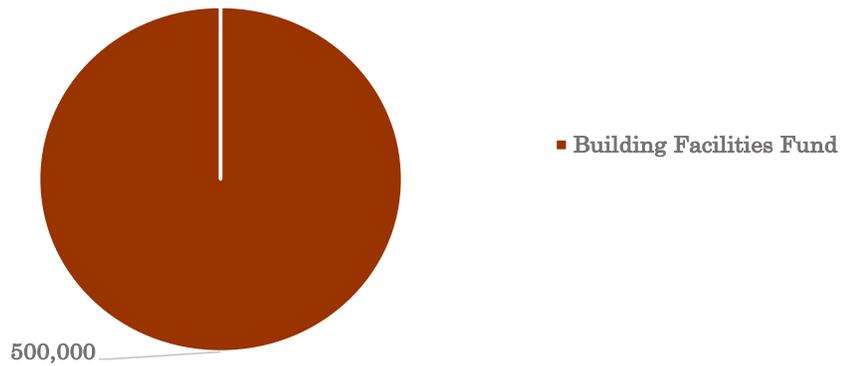
State Shared Revenue City of Prineville, FY 19



State shared revenues are projected at \$999,600 for FY 19. 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.

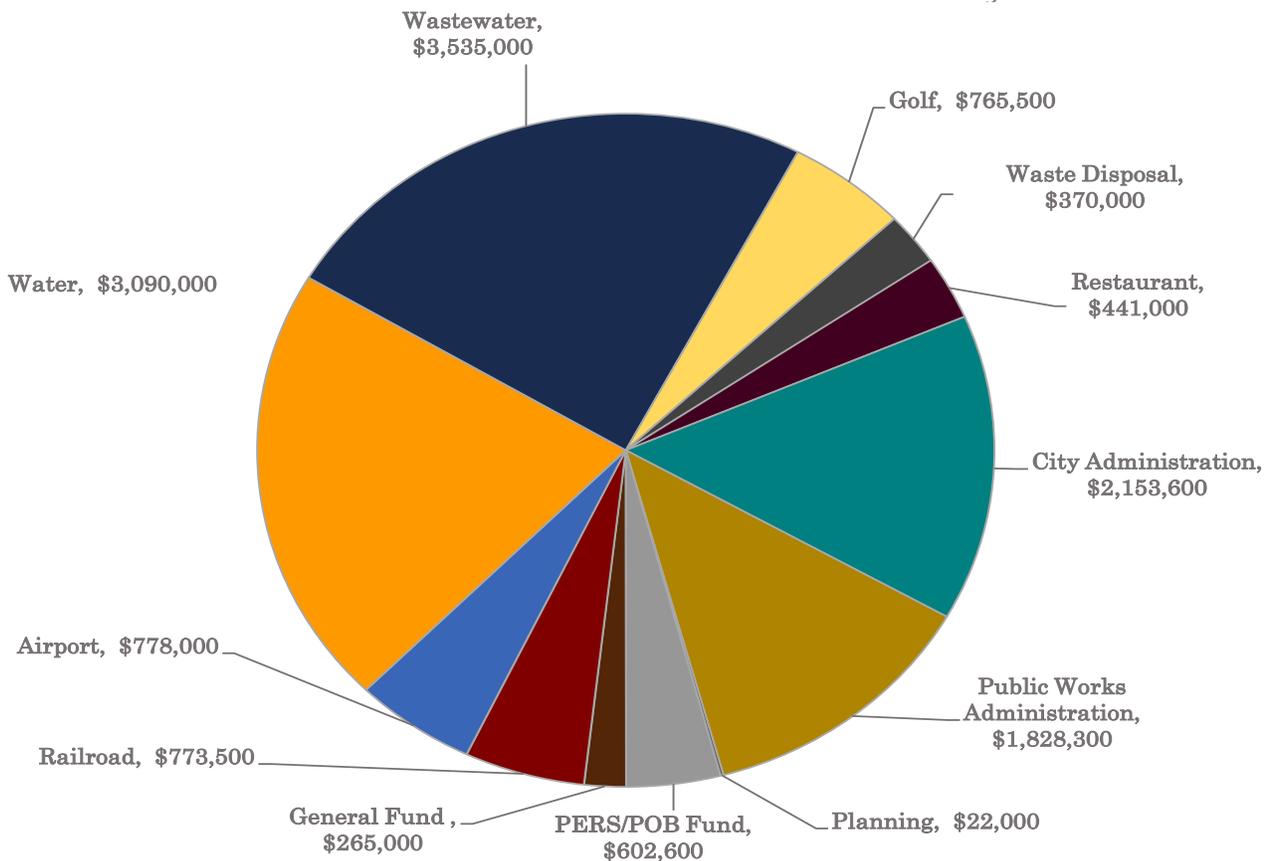


Debt Proceeds FY 19



Debt proceeds total \$500,000 budgeted in the Building Facilities Fund for police facility improvements.

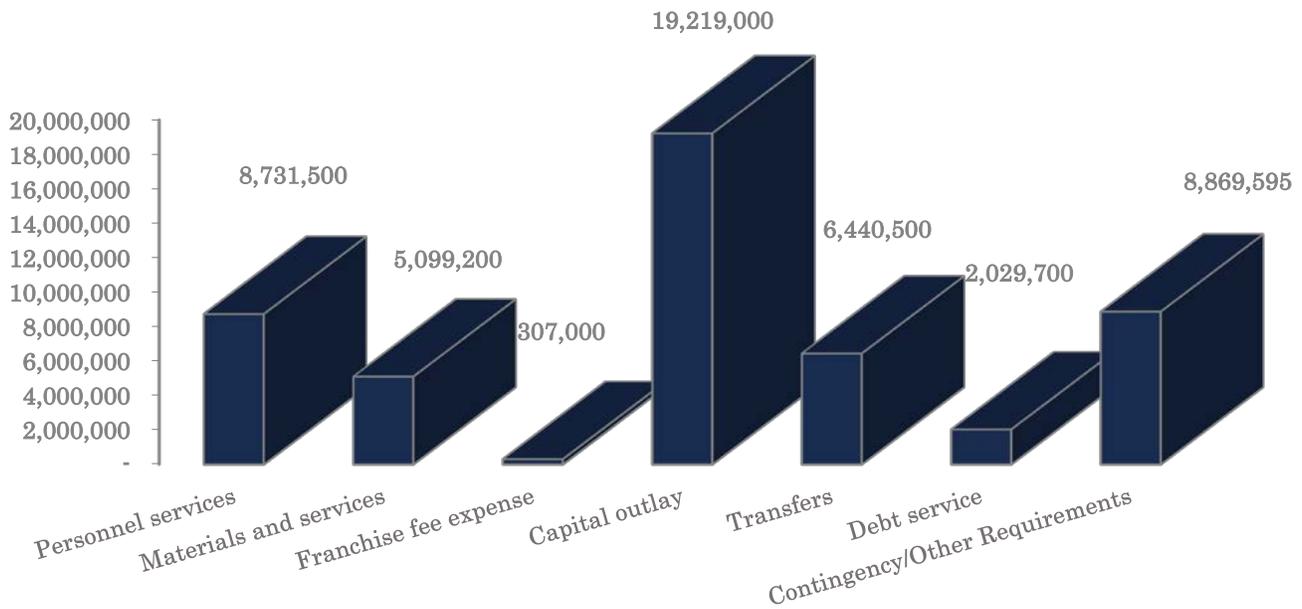
Charges for Services City of Prineville, FY 19



Charges for services total \$14,624,500 for FY 19. 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 \$3,535,000 and water at \$3,090,000 for 2019.

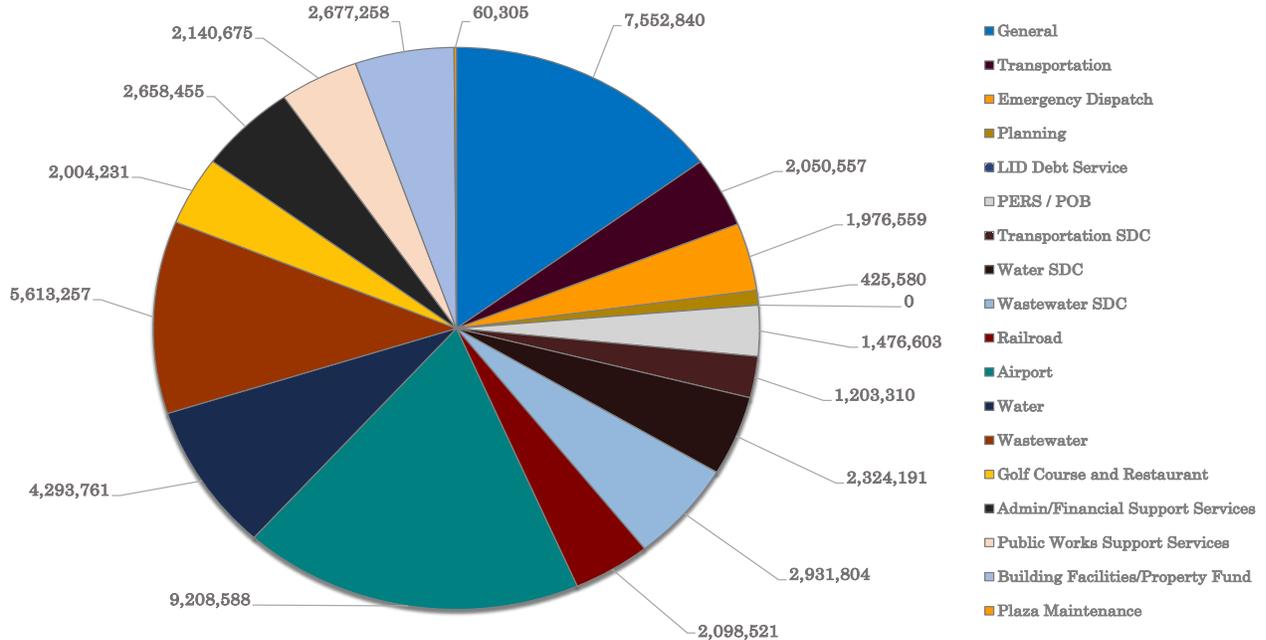


Requirements Budget by Major Category FY 18 – FY 19



Operational requirements total approximately 41 percent of the budget for FY 19; these categories include personnel services, materials and services, franchise fees and transfers.

Total Requirements by Fund FY 19

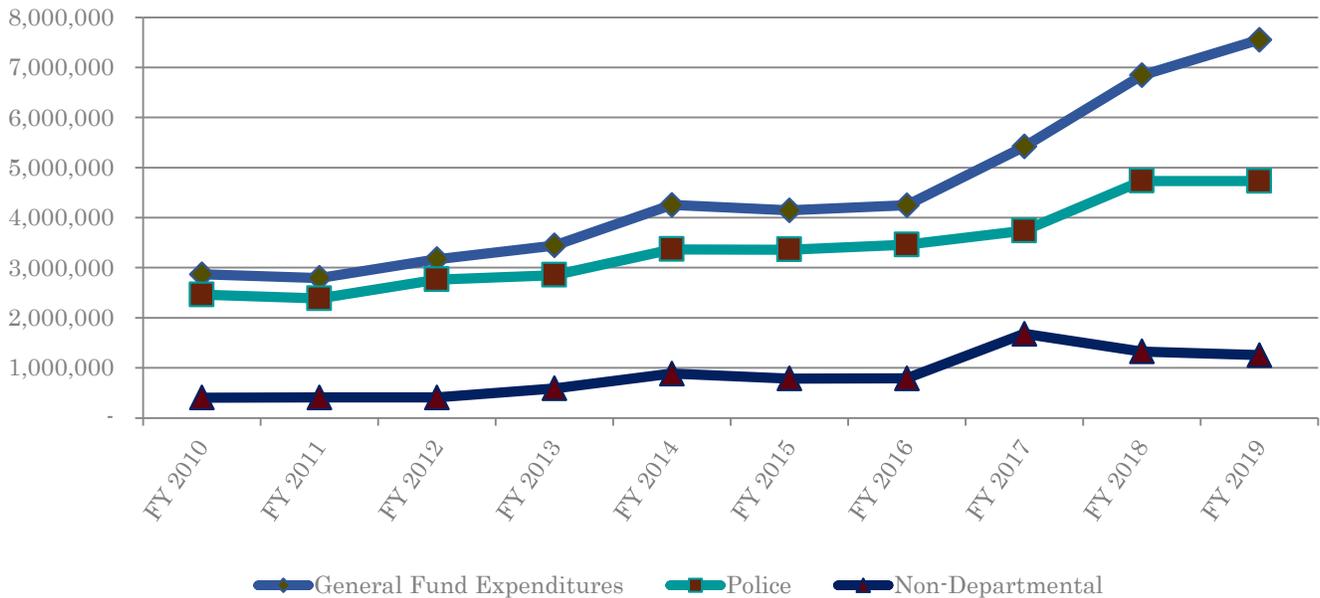


All funds total requirements equal \$50,696,495 for FY 19. The City's largest fund in 2019 is the Airport Fund at \$9,208,588, followed by the General Fund at \$7,552,840. Wastewater is the third largest fund at \$5,613,257 and water as fourth largest totaling \$4,293,761.



General Fund Requirements in Total and By Department

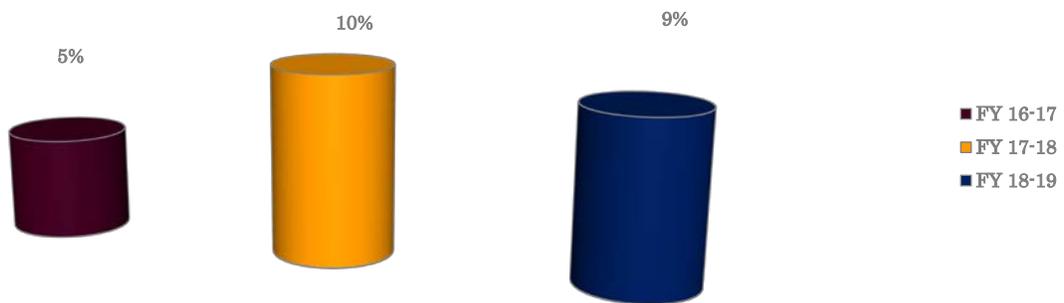
FY 19



In FY 19 total General Fund requirements increased approximately 10 percent or \$711,204, with a decrease in the police department from FY 18 year-end estimates of approximately \$4,700 and a non-departmental decrease of approximately \$75,000. Contingency/reserves 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. Contingency/reserve for FY 19 totals \$1,570,940, \$708 over the City’s reserve policy requirements.

Personnel Services Requirement Trends

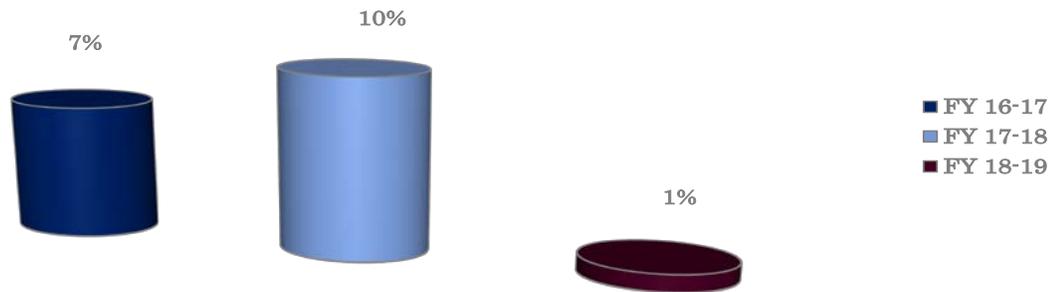
FY 16 – FY 19



In FY 19, personnel services increased approximately 9 percent over prior year FY 18. Full-time equivalents (FTE) will increase by 1.50; an additional two FTEs are budgeted for police; minus one FTE in railroad; minus one half FTE at the airport; and adding one FTE in the IT department. The procurement contractor is moving from administration to public works. The City of Prineville will meet union contract obligations and provide a modest increase for non-represented employees. Health insurance costs increased approximately 9 percent, while retirement (PERS) decreased in FY 18 for the biennium approximately 6 percent. The City continues to charge the previous rate and an additional 7 percent estimated rate on all subject payroll sufficient to repay debt service on the pension obligation bond (POB). The City also transfers \$100,000 annually from the General Fund to add to the additional funds in the POB Fund for future liabilities. In FY 19, the City budgeted \$300,000 to put toward a side account with PERS and take advantage of the 25 percent match that the state has offered. These dollars are also skewing the percentage of increase in the personnel services.

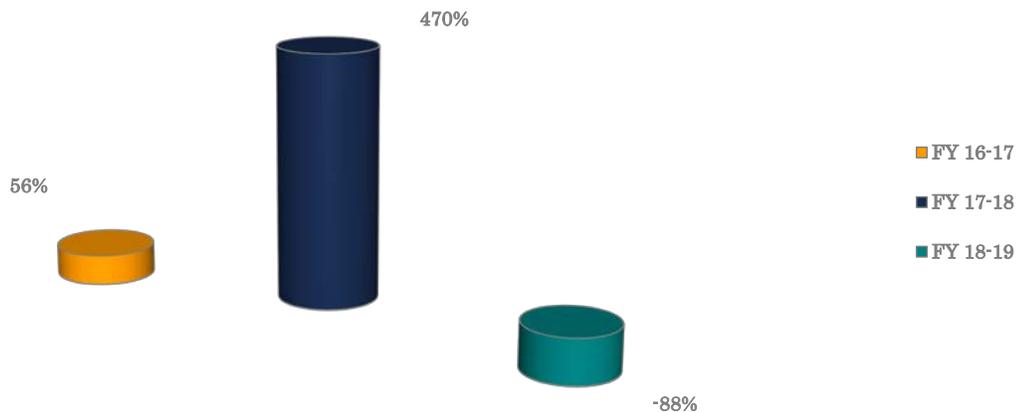


Materials & Services Requirement Trends FY 16 – FY 19



Materials and services requirements increased 1 percent over prior year. In FY 18 the increase in FY 18 was largely due to the increase in activity in the enterprise funds, specifically airport and golf for repair and maintenance, additional maintenance of equipment in the dispatch center, and an increase in chamber fees due to an increase in transient room tax in non-departmental in the General Fund. In FY 19, these additional costs continue in the above mentioned funds, along with additional dollars in wastewater for repair and maintenance, and the non-departmental General Fund contribution to the splash park.

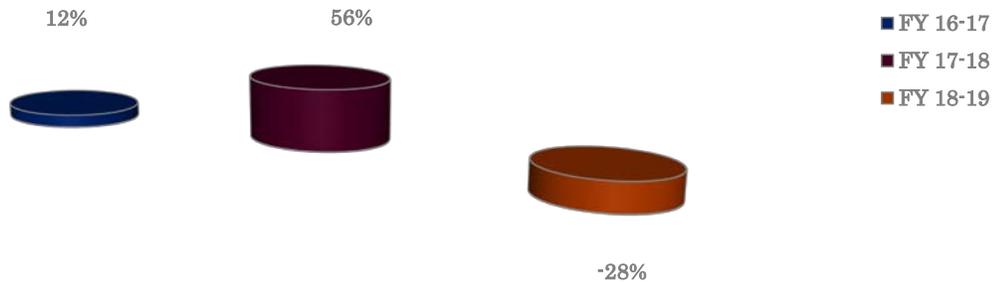
Debt Service Requirement Trends FY 16 – FY 19



Debt service requirements increased approximately 470 percent in the prior year FY 18 due to the advanced refunding in December of 2017, the payoff of interim financing of the wetlands project, and the reduction of other debt in the Water and Wastewater Funds made possible by the SDC fees collected from data centers. The decrease of 88 percent in debt service requirements for FY 19 is reflective of this. Debt planned for FY 19 is \$500,000 in the Building Facility Fund for improvements to the police facility.

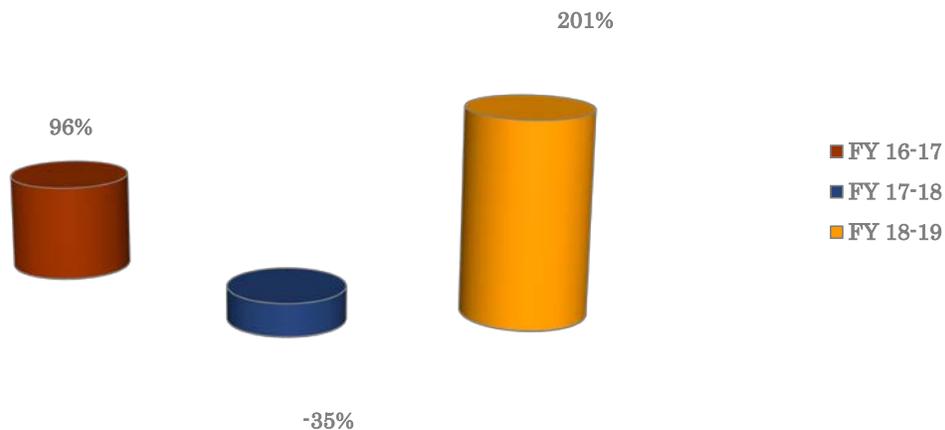


Transfer Requirement Trends FY 16 – FY 19



In FY 18, transfers increased 56 percent due to dollars being transferred from the SDC funds by supplemental budget adjustments for the reduction and payoff of debt in the Water and Wastewater Funds. FY 19 transfers show a 28 percent reduction over the prior year. Budgeted transfers for FY 18 prior to the supplemental budget totaled \$6,086,785. Total transfers for FY 19 are \$6,440,500, an increase of approximately 6 percent over prior year. This largely a result of the increase in transfer from police to dispatch of approximately \$187,000 and transferring the Barnes Butte property costs for capital outlay and debt service from General Fund to the Building Facilities/Property Fund, a transfer totaling approximately \$225,000.

Capital Outlay Requirement Trends FY 16 – FY 19



Capital outlay for FY 19 totals approximately \$19.22 million. Capital project expenditures increased approximately 201 percent over the prior year estimated. The capital project for the police facility totaling \$1.75 million in FY 18 is budgeted for FY 19 as the build out of the new county jail is taking longer than expected. The project budgeted in the airport for FY 18 totaling approximately \$6.59 million has just gotten off the ground and estimated year-end numbers are at \$340,000. The scope of the airport project has become larger and is budgeted for \$8.15 million in the FY 19 budget. Grant-related projects represent approximately \$4.8 million of the total projects for FY 19, with approximately \$7.6 million covered by impact fees, user fees or fund balance, approximately \$5.7 million represents intergovernmental revenue, and \$500,000 covered by debt proceeds.





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

Adopted Fiscal Year 2018-2019 Budget





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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.

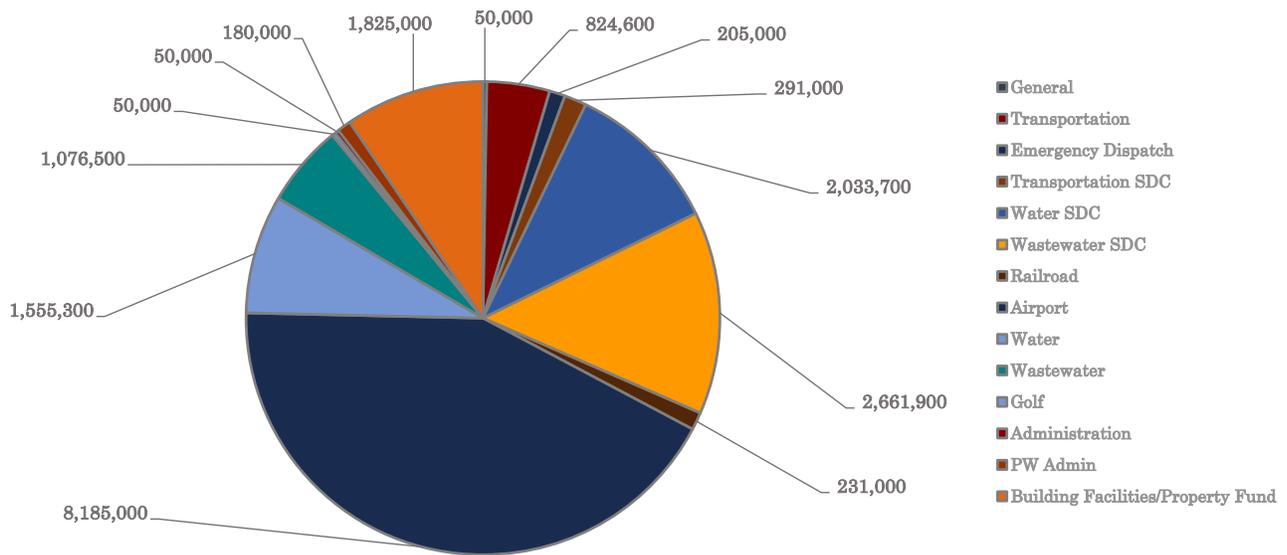
The City is working towards establishing a long-range model for each fund. A copy of the latest version of the City's updated projections for Water, Wastewater, Golf and Restaurant, and General Funds (showing only five of the 20-year plans) are placed in the back of this chapter.



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



Capital Outlay Summary Capital Expenditures by Fund, FY 19



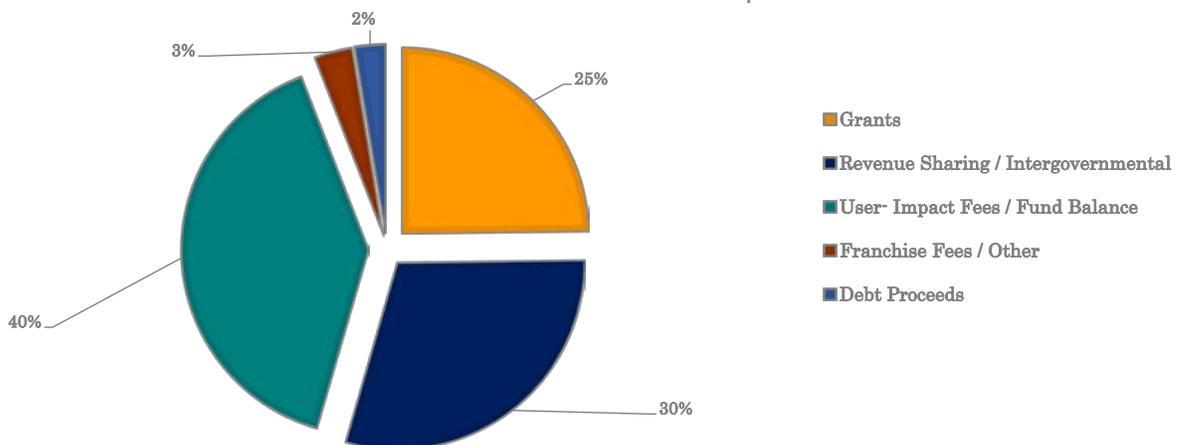
The City defines a capital expenditure as using the following three criteria: (I) relatively high monetary value (equal to or greater than \$10,000), (II) long asset life (equal to or greater than five years of useful life), and (III) results in the creation of a fixed asset or the revitalization of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

The total overall capital outlay budget for FY 19 is \$19,219,000. Fourteen programs have budgeted capital improvements, the largest being in the Airport Fund with approximately \$8.2 million budgeted, \$2.66 million is budgeted in wastewater SDC Fund, and \$2 million is budgeted in the Water SDC Fund.

Capital Resources

The City of Prineville's funding for capital projects comes from a variety of sources for FY 19, but generally falls into one of several categories – grants, debt proceeds, gasoline taxes, shared revenue, impact fees, franchise fees, user fees or reserves. Grants, intergovernmental revenue and impact fees will cover the majority of capital projects in FY 19 at approximately \$14.7 million.

Expenditures and Resources



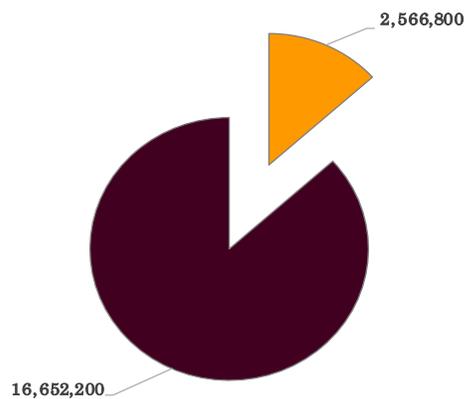
Summary of Capital Improvement Nonrecurring / Recurring FY 19

Capital Improvement Summary City of Prineville Current Year 2019									
Expenditures	Resources								
Department/Project Description	Capital Outlay	Recurring	Non-recurring	Taxes AD Valorem	Revenue Sharing/ Intergovernmental	Debt proceeds	Grants	User/Impact Fees Fund Balance	Franchise Fees/Other
General Fund									
Police Radio Update	\$ 50,000	*							\$ 50,000
Emergency Dispatch									
Tower Project - Paulina	30,000		**						
700/800 Megahertz Trunk System	175,000		**			175,000			
Transportation Fund									
Overlay/Rehabilitation/Crack Seal	720,000	*				720,000			
ODOT Transit Grant	104,600	*					104,600		
Transportation SDC Fund									
Tom McCall Roundabout Feature	100,000		**					100,000	
Barnes Butte Complex Master Plan	50,000		**					50,000	
Rails to Trails Match	41,000		**					41,000	
Elm Street Bridge Match	100,000		**					100,000	
Airport Fund									
Connect Oregon Project	1,800,000		**				1,800,000		
USFS Airbase	4,740,000		**		4,740,000				
Airbase Parking Apron	1,610,000		**				1,610,000		
Airport Equipment	35,000	*			35,000				
Water Fund									
Water Rights	25,000	*						25,000	
Water Improvements	750,300	*						750,300	
CRC/HCP	60,000	*						60,000	
ASR Project	500,000		**						500,000
Airport Industrial Park Utility Extension	220,000		**					220,000	
Water SDC Fund									
Airport Industrial Park Utility Extension	2,033,700		**					2,033,700	
Wastewater Fund									
Repair and Maintenance	175,000	*						175,000	
Airport Industrial Park Utility Extension	765,600		**					765,600	
SLARRA/USDA Requirement (Short-Lived Asset Replacement Reserve Account)	135,900	*						135,900	
Wastewater SDC Fund									
Airport Industrial Park Utility Extension	2,661,900		**					2,661,900	
Railroad Fund									
Railroad Improvements	231,000	*						231,000	
Golf Course Fund									
Course Improvements	50,000	*						50,000	
Administrative Services									
Radio Service Software Upgrade	50,000		**					50,000	
Building Facilities / Property Fund									
Police Facility Upgrades	1,750,000		**			500,000	1,250,000		
Barnes Butte Property Improvements	75,000		**						75,000
Public Works									
Administration Services Fund									
Fleet/Equipment Management	180,000	*						180,000	
Total Capital Outlay	\$ 19,219,000			\$ -	\$ 5,700,000	\$ 500,000	\$ 4,764,600	\$ 7,629,400	\$ 625,000

** Major Nonrecurring Project

Capital Expenditures by Category

**Capital Expenditures by Category
Nonrecurring / Recurring
FY 2018**



Capital Improvement Plan

Nonrecurring	
Roads.....	291,000
Wastewater	3,427,500
Water	2,753,700
Alternative Transportation	8,150,000
Buildings.....	1,750,000
Other.....	280,000
Total CIP Expenditures	\$ 16,652,200
Recurring	
Vehicles.....	\$ 180,000
Major Maintenance.....	1,876,300
Other.....	510,500
Total Routine.....	\$ 2,566,800
Total Capital.....	\$ 19,219,000



Major Nonrecurring Capital Improvements by Project Water SDC Fund

Project Description: Airport Industrial Park Utility Extension Department: Water SDC								
Project Description	This Water SDC Fund project is for the installation of a 16-inch water line and booster pump station from the valley pressure zone to the airport pressure zone. Currently, the water system consists of a single, 1- to 8-inch line that connects the valley and airport pressure zones. This line can let water from the airport to the valley pressure zone, but not the other way (valley to airport). This new line and pump station will serve as a parallel to the 8-inch line and allow the system to feed water from the valley zone to the airport zone. This will be of benefit to both existing and future customers. It allows the City to serve future customers, while strengthening the airport pressure zone for existing customers. Part of this project will include installing the water line for Prineville-Crook County Airport's new helibase. By putting this line in, the helibase is served, but the City can also remove the Les Schwab booster pump station, which is a good benefit to all of the existing customers.							
Analysis of Need	Water currently cannot be moved from the valley pressure zone to the airport industrial area pressure zone. This project will support growth in the airport industrial zone.							
Ongoing Operating Costs	With growth, electrical costs will increase as the new pump station is used to move water from the valley pressure zone to the airport pressure zone. This increase will be minimal at first, but will increase annually as growth in the airport area increases.							
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	\$	150,000						\$ 150,000
Construction	\$	850,000	\$ 2,033,700					\$ 2,883,700
Equipment								\$ -
Total	\$	1,000,000	\$ 2,033,700	\$ -	\$ -	\$ -	\$ -	\$ 3,033,700
Revenue Sources								
Fund Balance	\$	1,000,000	\$ 2,033,700					\$ 3,033,700
Intergovernmental								\$ -
Grant								\$ -
Debt Proceeds								\$ -
Other								\$ -
Total	\$	1,000,000	\$ 2,033,700	\$ -	\$ -	\$ -	\$ -	\$ 3,033,700
Water Fund Operating Impact								
Capital Costs								\$ -
Debt Service								\$ -
Personnel / Operations								\$ -
Total	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



The start of the utility extension to the Airport Industrial Park area.



Wastewater SDC Fund

Project Description: Airport Industrial Park Utility Extension Department: Wastewater SDC								
Project Description	The Airport Industrial Park Utility Extension project listed below will provide an alternative route for wastewater transmission from the airport area. The existing collection system consists of a single, 8-inch line that has become a "bottleneck" in the system. This parallel route will improve service to future wastewater customers.							
Analysis of Need	The existing wastewater collection system supporting the airport industrial area is undersized for build out of this area. This project will provide an alternative route to serve both current and future customers.							
Ongoing Operating Costs	Minimal. This line is being installed at depth to avoid wastewater pump stations.							
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	\$	150,000						\$ 150,000
Construction	\$	850,000	\$ 2,661,900					\$ 3,511,900
Equipment								\$ -
Total	\$	1,000,000	\$ 2,661,900	\$ -	\$ -	\$ -	\$ -	\$ 3,661,900
Revenue Sources								
Fund Balance	\$	1,000,000	\$ 2,661,900					\$ 3,661,900
Intergovernmental Grant								\$ -
Debt Proceeds								\$ -
Other								\$ -
Total	\$	1,000,000	\$ 2,661,900	\$ -	\$ -	\$ -	\$ -	\$ 3,661,900
Wastewater Fund Operating Impact								
Capital Costs								\$ -
Debt Service								\$ -
Personnel / Operations								\$ -
Total	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Sewer line being put in roughly 28 feet deep near the airport industrial park.



Project Description: Connect Oregon Project								
Department: Airport								
Project Description	The Connect Oregon Project will support access road and infrastructure for the United States Forest Service (USFS) Airbase project on the north side of the airport along with matching funds for a new Federal Aviation Administration (FAA) aircraft parking apron. The fuel system replacement project replaces a required piece of airport equipment that is beyond its designed life. 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/FAA project. The required 26 percent matching funds will be supported through the Crook County contribution of the USFS 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	2017	2018	2019	2020	2021	Beyond	Total
Estimated Cost								
Design / Engineering	\$	68,838	\$ 200,000	\$ 300,000				\$ 568,838
Construction - Airbase				\$ 800,000				\$ 800,000
Construction - Fuel System				\$ 700,000				\$ 700,000
Total	\$	68,838	\$ 200,000	\$ 1,800,000	\$ -	\$ -		\$ 2,068,838
Revenue Sources								
Fund Balance								
Intergovernmental Grant	\$	24,013						\$ 24,013
Debt Proceeds	\$	44,825	\$ 200,000	\$ 1,800,000				\$ 2,044,825
Other								
Total	\$	68,838	\$ 200,000	\$ 1,800,000	\$ -	\$ -		\$ 2,068,838
Airport Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations					\$ 5,000	\$ 5,000		\$ 10,000
Total	\$	-	\$ -	\$ -	\$ 5,000	\$ 5,000		\$ 10,000



The Prineville-Crook County Airport as seen from above.



Project Description: USFS Airbase								
Department: Airport								
Project Description	The airbase project is a joint effort between the United States Forest Service (USFS), the 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. The project will be funded with a Connect Oregon grant in conjunction with Crook County. The required 26 percent matching funds will be supported through Crook County contributions.							
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 utilities, building maintenance, custodial services and landscape services. Cost for future operations and maintenance are estimated at this time. More concise operating costs 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 through revenues from lease agreements.							
Council Goal	Provide quality municipal services and programs which contribute to community desirability. Community safety.							
Fiscal Year								
	Estimated Reserves	2019	2020	2021	2022	2023	Beyond	Total
Estimated Cost								
Design / Engineering	\$	1,000,000						\$ 1,000,000
Construction	\$	3,740,000						\$ 3,740,000
Equipment								
Total	\$	4,740,000	\$ -	\$ -	\$ -	\$ -		\$ 4,740,000
Revenue Sources								
Fund Balance								
Intergovernmental								
Grant								\$ -
Debt Proceeds								\$ -
Crook County	\$	4,740,000						\$ 4,740,000
Total	\$	4,740,000	\$ -	\$ -	\$ -	\$ -		\$ 4,740,000
Airport Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations			\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000		\$ 140,000
Total	\$	-	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000		\$ 140,000



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Conceptual drawing of the USFS Airbase project.



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 United State Forest Service (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. A \$75,000 grant from the Oregon Department of Aviation will help support the 10 percent match required by the Federal Aviation Administration (FAA) and the remainder which will be supported by Crook County contribution.							
Analysis of Need	Provides important separation between fire suppression assets, such as large helicopters and tankers from 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		\$ 45,000	\$ 325,000					\$ 370,000
Construction			\$ 1,285,000					\$ 1,285,000
Equipment								
Total		\$ 45,000	\$ 1,610,000	\$ -	\$ -	\$ -		\$ 1,655,000
Revenue Sources								
Fund Balance								
Intergovernmental		\$ 4,500	\$ 90,000					\$ 94,500
Grant		\$ 40,500	\$ 1,520,000					\$ 1,560,500
Debt Proceeds								
Other								
Total		\$ 45,000	\$ 1,610,000	\$ -	\$ -	\$ -		\$ 1,655,000
Airport Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations					\$ 5,000			\$ 5,000
Total		\$ -	\$ -	\$ -	\$ 5,000	\$ -		\$ 5,000



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



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

City of Prineville Emergency Dispatch Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Recording Equipment Dispatch Tower Project-Paulina		\$ 30,000		\$ 20,000		
700/800 Megahertz Trunk System	\$ 175,000		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
911 Digital Phone System					\$ 50,000	
Update Dispatch Furniture						\$ 100,000
Back-up PSAP						
Total	\$ -	\$ 205,000	\$ 35,000	\$ 55,000	\$ 85,000	\$ 135,000

Project Description

In FY 19 is \$175,000 for a 700/800 megahertz trunk system. As the City moves towards tri-county compatibility and better in-town coverage for its officers, the original, one-channel 700/800 megahertz system will need to be expanded to a trunk system, allowing for multiple channels and greater coverage. The \$35,000 for the next four years will complete the system as additional components are installed on other towers as part of the 700/800 megahertz system.

In 2022 the department intends to replace the remaining console furniture at a cost of \$50,000. The desks needed in a dispatcher center are specifically designed furniture that houses all the electronics, ergonomics, etc., needed for a functioning dispatch center. The \$100,000 budgeted in 2023 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 2019 - 2023						
Project Description (SDC Eligible Projects, Short- and Medium-term)	City's Expected Contribution	2019	2020	2021	2022	2023
Right of Way Acquisition Combs Flat / Peters Extension	\$ 250,000					
Tom McCall Roundabout Feature	\$ 100,000	\$ 100,000				
Barnes Butte Complex Master Plan	\$ 50,000	\$ 50,000				
Rails to Trails Match	\$ 41,000	\$ 41,000				
Elm Street Bridge Match	\$ 100,000	\$ 100,000				
N 9th and N 10th Street Connection \$800,000	\$ 800,000		\$ 300,000			
Total	\$ 1,341,000	\$ 291,000	\$ 300,000	\$ -	\$ -	\$ -

Project Description

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

The second project will be the development of the Barnes Butte Complex Master Plan. The Transportation Fund contributed significant funds for the acquisition of this property, as it will provide right of way for the future expansion of both Combs Flat and Peters Roads. By developing a master plan, the community can insure that future development of the site does not negatively affect the extension of the roads.

The City of Prineville Transportation Department was recently successful obtaining two grants to enhance the transportation network. A Rail to Trails grant application was awarded to the City in FY 18. This project



will resurface the old rail right of way from NE Combs Flat Road to NE 7th Street with an Americans with Disabilities Act (ADA) compliant surface. The match funds for this project will come from the Transportation SDC Fund. The City was also awarded a grant to replace the aging Elm Street Bridge. Funds from the Transportation SDC Fund will be used as a match to this grant.



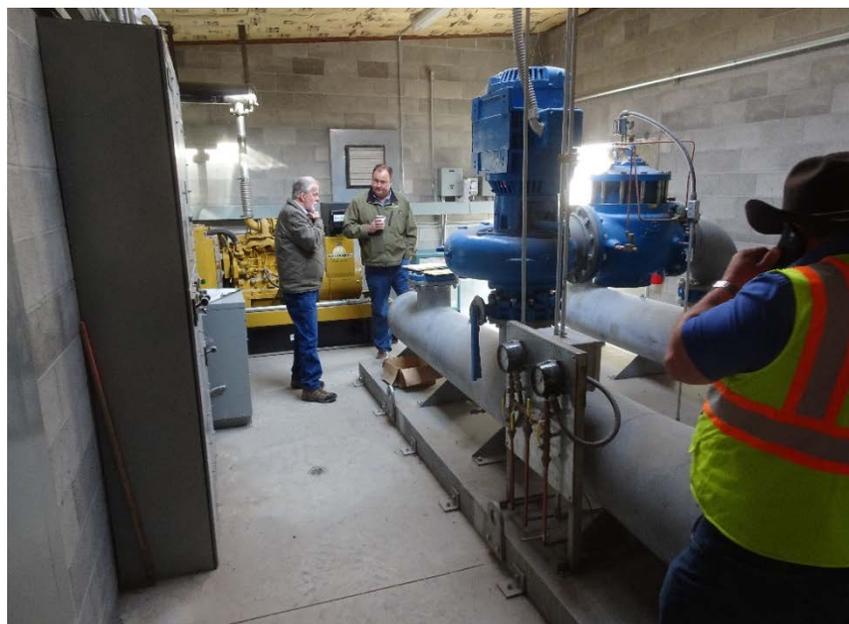
A concept rendering of the Tom McCall Roundabout.



City of Prineville Water SDC Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
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						
Airport Industrial Park Utility Extension	\$ 2,033,700	\$ 2,033,700				
Combs Flat Transmission Main	\$ 102,000					
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	\$ 19,984,200	\$ 2,033,700	\$ 1,250,000	\$ -	\$ -	\$ -

Project Description

In FY 19, there is one project budgeted in the Water SDC Fund. This is the installation of a 16-inch water line and booster pump station from the valley pressure zone to the airport pressure zone. Currently, the water system consists of a single, 1- to 8-inch line that connects the valley and airport pressure zones. This line can let water from the airport to the valley pressure zone, but not the other way (valley to airport). This new line and pump station will serve as a parallel to the 8-inch line and allow the system to feed water from the valley zone to the airport zone. This will be of benefit to both existing and future customers. It allows the City to serve future customers, while strengthening the airport pressure zone for existing customers. Part of this project will include installing the water line for Prineville-Crook County Airport' new helibase. By putting this line in, the helibase is served, but the City can also remove the Les Schwab booster pump station, which is a good benefit to all of the existing customers. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 90.



Inside a booster pump station located by one of the Les Schwab Tire



City of Prineville Wastewater SDC Capital Improvement Plan Fiscal Years 2019 - 2023							
Project Description	Master Plan Estimated Cost	Current Year Construction Estimate	2019	2020	2021	2022	2023
Airport Industrial Park Utility Extension	\$ 3,661,900	\$ 3,661,900	\$ 2,661,900		\$ 932,000		
Melrose Bailey Sewer	\$ 3,239,000	\$ 3,344,000					
North Interceptor Sewer	\$ 2,073,100	\$ 2,140,200					
Pinckard 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					
Total	\$ 19,021,800	\$ 19,519,500	\$ 2,661,900	\$ 184,700	\$ 932,000	\$ -	\$ -

Project Description

The Airport Industrial Park Utility Extension project listed below will provide an alternative route for wastewater transmission from the airport area. The existing collection system consists of a single, 8-inch line that has become a "bottleneck" in the system. This parallel route will improve service to future wastewater customers. A more extensive description of this project is in the "Major Nonrecurring Capital Improvements by Project" section starting on page 90.



Informational kiosks line the trails of the Crooked River Wetlands Complex, including this one on bird habitats pictured in June 2017.



City of Prineville Airport Maintenance/Improvements Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Connect Oregon Grant - USFS Airbase/Fuel System/Match	\$ 1,800,000	\$ 1,800,000				
USFS Airbase Project	\$ 4,740,000	\$ 4,740,000				
Airbase - Parking Apron	\$ 1,610,000	\$ 1,610,000				
Runway 10/28 Alteration/Env. - RPZ			\$ 310,000			
Runway 10/28 Alteration/Const. - RPZ				\$ 1,850,000		
Pavement Maintenance				\$ 20,000		
Runway 33/15 Reconstruction Phase I - Environmental/Design					\$ 160,000	
Runway 33/15 Reconstruction Phase II - Construction						\$ 4,270,000
Total	\$ 8,150,000	\$ 8,150,000	\$ 310,000	\$ 1,870,000	\$ 160,000	\$ 4,270,000

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 19, 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 budget period, funds for the airbase project have been noted but specific sources are still to be determined. Connect Oregon funds will be used progressively throughout the whole airbase project. Crook County, USFS and the FAA are also identified funding sources for the continued phases of the 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 has been 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 90.



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



City of Prineville Water Improvement - Water Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Source						
ASR Project	\$ 500,000	\$ 500,000				
Storage						
Airport Industrial Park Utility Extension	\$ 400,000	\$ 220,000				
Total	\$ 900,000	\$ 720,000	\$ -	\$ -	\$ -	\$ -

Project Description

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



Public Works Director Eric Klann speaks with Abbas Well Drilling as work is carried out for the ASR project.



City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Sanitary Sewer (Materials and Services)						
Airport Industrial Park Utility Extensions	\$ 765,600	\$ 765,600				
Total	\$ 765,600	\$ 765,600	\$ -	\$ -	\$ -	\$ -

Project Description

The Airport Industrial Park Utility Extension project listed below will provide an alternative route for wastewater transmission from the airport area. The existing collection system consists of a single, 8-inch line that has become a "bottleneck" in the system. This parallel route will improve service to both existing and future wastewater customers. A more extensive description of this project is in the "Major Nonrecurring Capital Improvements by Project" section starting on page 90.



Crews work to install parts of the new line roughly 28 feet deep at the airport industrial park area.



City of Prineville Information Technology Department Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Incode Version 10 Financial Software Upgrade Phase III		\$ 30,000				
Radio Service Software Upgrade		\$ 20,000				
Network Upgrades			\$ 35,000			
Total	\$ -	\$ 50,000	\$ 35,000	\$ -	\$ -	\$ -

Project Description

In FY 17, the City began upgrading its financial software to Incode Version 10. This upgrade was a phased approach with general ledger and payroll being completed in FY 17, utilities and customer relations management (CRM) completed in FY 18, and the deployment of Tyler Content Manager, a document management platform, spanning between FY 18 and FY 19. This capital expenditure also includes implementation of an employee facing human resources (HR) management portal and online safety compliance program to assist in tracking HR related tasks, better managing online job applications, and processing employee on-boarding through a predictable workflow.

The IT Department maintains the county-wide public safety radio system. This system consists of both a mission critical public safety system serving the police department, fire department, sheriff's office and jail, as well as a mission support radio system serving public works, railroad, parks and city administration. As these radio systems transition to digital technology, the software and technical tools needed to maintain both the end-user subscriber units, as well as the mountain top repeater sites, needs to be upgraded to be able to test and tune digital radios. These upgrades are budgeted for FY 19. This software upgrade updates the service monitors City technicians use to maintain this equipment to these new standards.

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



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

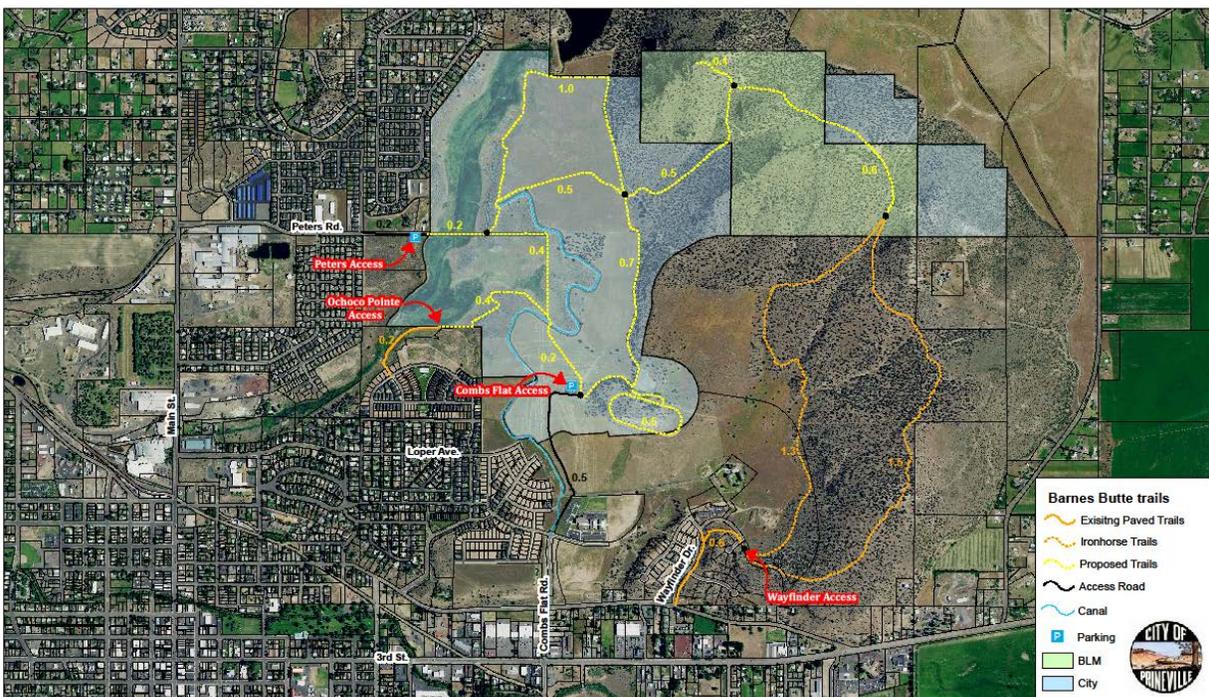


City of Prineville Building Facilities Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Police Facility						
Police Facility Structural Remodel		\$ 1,750,000	\$ 500,000			
Replace Sidewalks			\$ 20,000			
Barnes Butte						
Improvements		\$ 75,000				
Total		\$ -	\$ 1,825,000	\$ 520,000	\$ -	\$ -

Project Description

The City was awarded a state-funded seismic grant to repair the aging police facility. The grant was approved for \$1.25 million. The City has added funding to the grant in order to improve the facility for future use. Work will begin in late 2018. The \$1.75 million in FY 19 includes the grant funding with an additional \$500,000 allocated in FY 20 to finish the project.

The City of Prineville recently purchased 460 acres of open space within the eastern bounds of the city limits. Adjacent to this property is 160 acres of Bureau of Land Management property. This land is located adjacent to several high-density neighborhoods and the new 700-student Barnes Butte Elementary School. Citizens now have access to over 620 acres of open space varying from natural wetlands to upland steppes, including the Barnes Butte geologic feature. A focus committee has been established and monthly meetings are being well attended by over 30 individuals representing interests varying such as the Crook County School District, Crook County Parks and Recreation Department, and the Crook County Health Department. This is a wonderful opportunity for our community which has been well received. Funds budgeted in this fiscal year will go to improvements of the site. It is planned that these dollars will be used to match future grants to develop the site.



Barnes Butte Trails Access Points
2016 Aerial



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

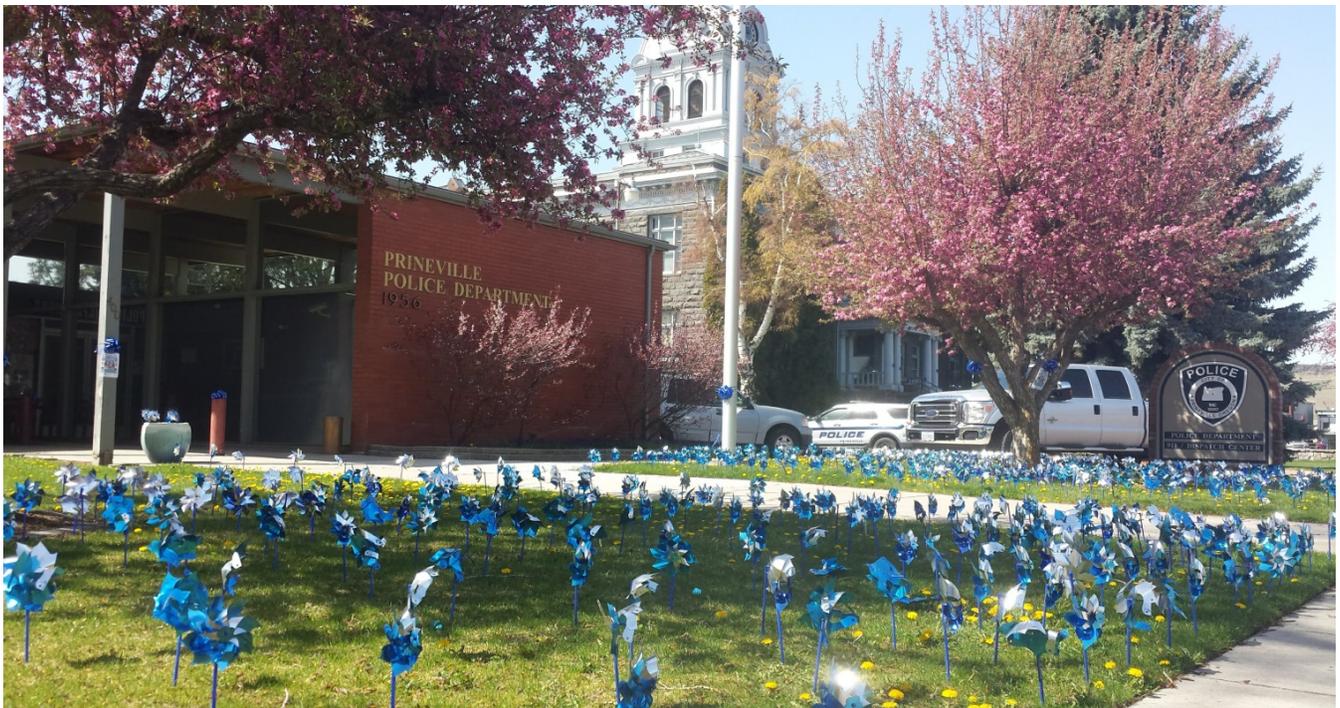
City of Prineville Police Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Update Radios for Police		\$ 50,000				
Update Police Equipment			\$ 85,000	\$ 85,000		
Upgrade Body Cameras				\$ 15,300		
Total	\$ -	\$ 50,000	\$ 85,000	\$ 100,300	\$ -	\$ -

Project Description

In FY 18, the City began replacing 20 VHF portable radios. This update replaced 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 was allocated in FY 18 to update the vehicle radios to 700 megahertz.

Starting in FY 20, the City will begin purchasing necessary equipment to update the police department’s ability to respond to a variety of situations. An example of the equipment needed includes new surveillance equipment and a variety of training equipment. The City will split the purchases over two years.

The department was able to replace its body cameras in FY 17 and has reallocated replacements in FY 21. The rapid improvement in technology combined with the wear and tear of daily use, make replacement of cameras every three years a solid investment.



The City of Prineville Police Department on a spring day.



Transportation Fund

City of Prineville Transportation Improvement CIP Fiscal Years 2019 - 2023								
Project Description	Area (sqft.)	Current PCI	Current Year Construction Estimate	2019	2020	2021	2022	2023
Capital Rehabilitation								
SE Fairview St. Grind and Inlay - NE 4th to SE Lynn	162,116	60	\$ 212,960	\$ 212,960				
NW 4th Grind and Inlay - Elm to Fairview	16,800	24	\$ 24,360	\$ 24,360				
SE 2nd St. Grind and Inlay - Fairview to Idlewood	51,500	50	\$ 75,280	\$ 75,280				
NW Industrial Park Rd. - 3 rd Overlay	71,136	31	\$ 88,920	\$ 88,920				
NE Sterns 1-1/2 nd Overlay - 3rd to Cattleman	25,704	55	\$ 22,880	\$ 22,880				
NE Williamson 1-1/2 nd Overlay - 3rd to End	31,360	40	\$ 28,000	\$ 28,000				
NE Slayton Court 1-1/2 nd Overlay	16,768	40	\$ 14,880	\$ 14,900				
NE Baldwin Court 1-1/2 nd Overlay	8,000	28	\$ 7,200	\$ 9,700				
NW High Desert Drive 2 nd Overlay	111,758	30	\$ 105,000	\$ 105,000				
N Main - 2 nd Overlay - Peters to County Jurisdiction	62,042	63	\$ 58,000	\$ 58,000				
SE 5th Grind and Inlay - SE Fairview to End	96,376	59.5	\$ 139,275		\$ 139,275			
NW 4th St. Grind and Inlay - N Main to NW Deer	46,256	49	\$ 67,000		\$ 67,000			
NW 5th St. Grind and Inlay - N Main to NW Locust	116,424	50	\$ 168,885		\$ 168,885			
NE Laughlin Rd. Hudspeth to End - 2 nd Overlay	197,000	72	\$ 187,500		\$ 187,500			
SW Cessna Dr. - 2 nd Overlay	45,500	73	\$ 42,675		\$ 42,675			
SW Meadow Lakes Dr. 3rd to Course - 2 nd Overlay	88,200	67	\$ 83,000		\$ 83,000			
NE Lamonta Rd. - 2 nd Overlay	220,000	70	\$ 203,703			\$ 203,703		
SE Knight Grind and Inlay - Lynn to SE 5th	61,096	53	\$ 88,217			\$ 88,217		
SE Juniper Grind and Inlay - Lynn to SE 5th	59,416	46	\$ 86,880			\$ 86,880		
SE Idlewood Grind and Inlay - SE 6th to Lynn	32,440	58	\$ 38,504			\$ 38,504		
SE Holly Grind and Inlay - SE 6th to Lynn	32,440	60	\$ 38,504			\$ 38,504		
SE Garner Grind and Inlay - SE 6th to Lynn	32,440	60	\$ 38,504			\$ 38,504		
SE 6th St 2 nd Overlay - Garner to Juniper - Grind and Inlay	34,000	51	\$ 49,408			\$ 49,408		
SE 7th St 2 nd Overlay - Fairview to End	110,600	57	\$ 103,725			\$ 103,725		
SE 8th St 2 nd Overlay - Knowledge to End	25,400	56	\$ 24,000			\$ 24,000		
SE 6th St 2 nd Overlay - Knowledge to End	26,650	55	\$ 25,000			\$ 25,000		
Grind and Inlay Ochocho Heights			\$ 650,000				\$ 650,000	
Grind and Inlay SW Quadrant			\$ 700,000					\$ 700,000
Capital Maintenance								
Crack Seals								
Crack Seal Airport Area			\$ 100,000					
Crack Seal NE Quadrant			\$ 200,000		\$ 40,000	\$ 40,000		
Crack Seal NW Quadrant			\$ 200,000				\$ 100,000	
Crack Seal SE Quadrant			\$ 200,000	\$ 80,000				
Crack Seal SW Quadrant			\$ 200,000					\$ 50,000
Crack Seal Recent Overlays/Inlays			\$ 200,000					
Transit								
ODOT - Transit Grant				\$ 104,600				
Total			\$ 4,472,260	\$ 824,600	\$ 728,335	\$ 736,445	\$ 750,000	\$ 750,000

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 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Plant						
Truck Docks - Freight Depot Roundhouse Relocation			\$ 50,000	\$ 750,000		
Rolling Stock						
Locomotive Rebuild/Upgrade EMD GP Units	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Pickup	\$ 35,000	\$ 35,000				
Lift Truck XL80			\$ 35,000			
Hyrail Excavator/Rail Maintenance Equipment				\$ 280,000		
Lift Truck XL210					\$ 90,000	
Signals / Crossings						
O'Neil Signal	\$ 21,000	\$ 21,000				
Gardner Signal			\$ 21,000			
Bus Evans Signal				\$ 21,000		
Long Lamonta Crossing Signal				\$ 30,000		
Long Lamonta Crossing				\$ 140,000		
Carson Oil Signal/Lamonta					\$ 18,000	
Carson Oil Crossing					\$ 75,000	
33rd Crossing						\$ 25,000
O'Neil Crossing						\$ 25,000
Bridges						
MP 13.8 (Madras Highway Overpass)	\$ 10,000	\$ 10,000				
MP 16 (McKay Creek Bridge)	\$ 25,000	\$ 25,000	\$ 25,000			
MP 11.7 (Crooked River Bridge)			\$ 10,000	\$ 15,000		
12.1 (Lytle CR Bridge)						\$ 10,000
Track						
MP 0.01 - 33rd	\$ 50,000	\$ 50,000		\$ 60,000		
MP 3.3 - Lone Pine Crossing	\$ 50,000	\$ 50,000		\$ 500,000		
33rd - MP 3.3			\$ 40,000			\$ 20,000
MP 15 - MP 16 - All of Freight Depot Yard and Fontana Spur			\$ 100,000			
MP 16 - MP 18.34					\$ 50,000	
Lone Pine Crossing - MP 11						\$ 40,000
Total	\$ 231,000	\$ 231,000	\$ 321,000	\$ 1,836,000	\$ 273,000	\$ 160,000

Project Description

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.



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



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 finished constructing a track management program. The 26 miles of track is 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 south east 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.

Airport Fund

City of Prineville Airport Maintenance/Improvements Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Airport Equipment		\$ 35,000		\$ 50,000		\$ 50,000
Total	\$ -	\$ 35,000	\$ -	\$ 50,000	\$ -	\$ 50,000

Project Description

In FY19, the airport will be looking for an appropriate piece of equipment for mowing large areas on the grounds. The airport already has acquired a mower deck that is suitable for the work, so this piece of equipment (a tractor) will have to adapt to the existing attachment. For FY 21 and FY 23, \$50,000 will be expected for recurring equipment needs.



A plane is pulled in from the apron for repair, in front of the current fuel trucks in May 2017.



City of Prineville Water Improvement - Water Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Source						
Pump Controls (Telemetry)	\$ 10,000		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Water Rights (Including Administration and Mitigation Credits)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Habitat Conservation Plan	\$ 60,000	\$ 30,000				
Crooked River Concept	\$ 40,000	\$ 30,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Transmission						
SE 2nd - Fairview to Holly (650 ft. of 8 inch, Approx. 12 Services, 1 Hydrant, 1 Tee)	\$ 90,000					
NW 4th St. - N Main to NW Deer (960 ft. of 8 inch, Approx. 12 Services, 3 Hydrants, 2 Tees)	\$ 130,400	\$ 130,400				
NW 5th St. - N Main to NW Deer (960 ft. of 8 inch, Approx. 16 Services, 2 Hydrants, 2 Tees)	\$ 133,400	\$ 133,400				
NW 5th St. - NW Deer to NW Harwood (1,350 ft. of 8 inch, Approx. 30 Services, 2 Hydrants)	\$ 191,500	\$ 191,500				
SE 4th - S Belknap to SE Fairview, 3rd to 5th on Belknap (2,032 ft. of 8 inch)	\$ 295,000	\$ 295,000				
SE 7th St. - Fairview to Juniper (1,150 of 12 inch)	\$ 172,500		\$ 172,500			
SE Garner St. - SE 7th to Lynn (450 ft. of 8 inch)	\$ 67,500		\$ 67,500			
SE Holly St. - SE 7th to Lynn (450 ft. of 8 inch)	\$ 67,500		\$ 67,500			
SE Idlewood St. - SE 7th to Lynn (450 ft. of 8 inch)	\$ 67,500		\$ 67,500			
SE Dunham to Fairview, SE 6th to Lynn (3,160 ft. of 8 inch)	\$ 474,000			\$ 474,000		
SE 4th - S Belknap to SE Fairview (1,575 ft. of 8 inch, Approx. 30 Services, 2 Hydrants, 5 Tees)	\$ 204,000				\$ 204,000	
SE Belknap - SE 5th to SE 3rd (300 ft. of 8 inch, Approx. 2 Services, 1 Hydrant, 2 Tees)	\$ 41,000				\$ 41,000	
SE Dunham - SE 3rd to SE 2nd (320 ft. of 8 inch, Approx. 3 Services, 2 Tees)	\$ 38,000				\$ 38,000	
NE 2nd - NE Holly to NE Juniper (650 ft. of 8 inch, Approx. 10 Connections, 1 Hydrant, 1 Tee)	\$ 54,500				\$ 54,500	
NE Holly - E 1st to NE 3rd (650 ft. of 8 inch, 4 Connections, 1 Tee)	\$ 69,000				\$ 69,000	
NE Garner - 3rd to 4th (300 ft. of 8 inch, 2 Connections, 1 Hydrant, 1 Tee)	\$ 38,500				\$ 38,500	
NE Holly - 3rd to 4th (300 ft. of 8 inch, 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 inch, 24 Connections, 4 Hydrants, 3 Tees)	\$ 183,500					\$ 183,500
SE Garner - Lynn to 7th (450 ft. of 8 inch, 10 Connections, 0 Hydrants, 1 Tee)	\$ 63,000					\$ 63,000
SE Idlewood - Lynn to 7th (450 ft. of 8 inch, 10 Connections, 0 Hydrants, 1 Tee)	\$ 63,000					\$ 63,000
NW Harwood - NW 4th to NW 5th (350 ft. of 8 inch)	\$ 42,000					\$ 42,000
NW Locust St - NW 5th to NW 6th (175 ft. of 8 inch)	\$ 21,000					\$ 21,000
NE 6th - Main to Fairview (1,480 ft. of 8 inch)	\$ 177,600					\$ 177,600
NW Ewen - NW 7th to NW 8th (300 ft. of 8 inch)	\$ 36,000					\$ 36,000
NE Court - NE 7th to NE 10th (850 ft. of 12 inch at \$130/ft.)	\$ 110,500					\$ 110,500
Maintenance						
Total	\$ 3,038,400	\$ 835,300	\$ 450,000	\$ 549,000	\$ 592,500	\$ 771,600

Project Description

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



Work on the SE Fairview water line replacement in March 2018.



City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Treatment Plant						
SLARRA	\$ 135,900					
ATV	\$ 10,000	\$ 10,000			\$ 6,750	\$ 6,750
Distribution Upgrades	\$ 50,000	\$ 50,000	\$ 50,000			
Pump Headworks	\$ 50,000	\$ 50,000				\$ 50,000
Wetland Projects		\$ 25,900				
Bury Mainline	\$ 200,000		\$ 50,000	\$ 20,000	\$ 50,000	\$ 50,000
Fence Plant 2	\$ 60,000			\$ 60,000		
Gator	\$ 18,500			\$ 19,500		
New Pivot	\$ 80,000				\$ 80,000	
Control System Update	\$ 50,000					
Grind Asphalt Pile	\$ 30,000					
Sanitary Sewer (Materials and Services)						
Collection Improvements			\$ 50,000	\$ 50,000		
McDougal Pump Replacement		\$ 25,000				
NE 7th St. - Garner to Holly (Replace 8" Conc with 12" PVC)		\$ 25,000				
SE 5th St. - Garner to Idlewood (Replace 8" Conc with 8" PVC)		\$ 79,000				
Infiltration and Inflow Maintenance	\$ 2,000,000	\$ 46,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000
Manhole Rehabilitation (10 per Year)	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Total	\$ 2,583,500	\$ 310,900	\$ 285,000	\$ 284,500	\$ 271,750	\$ 341,750

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.



Sunset at the Crooked River Wetlands Complex in April 2018.



City of Prineville Meadow Lakes Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Fairway Mower	\$ 25,000	\$ 25,000				
Replace Refrigeration in Kitchen	\$ 10,000	\$ 10,000				
Trim Mower / Gang Rough Mower	\$ 15,000	\$ 15,000		\$ 25,000		
Banquet Room Furniture			\$ 10,000			
Cart Path Paving			\$ 15,000			\$ 20,000
Replace Kitchen Floor			\$ 15,000			
Windows and Seals for Clubhouse			\$ 10,000			
New Carpet in Clubhouse				\$ 25,000		
Renovate Irrigation System				\$ 750,000		
Bunker Sand					\$ 15,000	
Cart Barn Addition / Remodel					\$ 20,000	
Replace Golf Cart Fleet					\$ 200,000	
Split-rail and Parking Lot Fence					\$ 15,000	
Replace Restrooms on Course						\$ 30,000
Total	\$ 50,000	\$ 50,000	\$ 50,000	\$ 800,000	\$ 250,000	\$ 50,000

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 19, 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. Also in FY 19, the department looks to replace the oldest trim mower with a slightly used or demo model that will run much more efficiently than current equipment. 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. The fairway mower project was scheduled for FY 18, but had to be pushed out to FY 19 due to budget cuts forced by decreased revenue due to heavy late summer/fall smoke.

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 higher energy bills because of the 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, an update of furniture in the banquet room is planned in FY 20. 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 process of replacing low-quality cart paths on the course will continue.



A sudden hailstorm hits the golf course in May 2017.



Meadow Lakes will replace the existing irrigation system in FY 21 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 and muddy spots in low areas. Approximately \$5,000 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. Also in FY 21, the department looks to replace the oldest gang mower with a slightly used or demo model that will run much more efficiently than current equipment. Lastly, the clubhouse will be re-carpeted in order to replace carpet that will have reached the end of its lifecycle.

The current fleet of 54 electric golf carts will be replaced in FY 22. A remodel of the cart barn to allow for the storage of 60 golf carts will also take place. This will be an expansion of the current fleet from 54 carts to 60. This will allow for larger outings and will increase revenue. Additionally in FY 22, Meadow Lakes will add more sand to the green-side bunkers on the golf course. Lastly, we will look to replace the split-rail wooden fence that surrounds the Crooked River throughout the course. We will also replace the wooden fence near the parking lot. Both of these fences are deteriorating and causing significant labor to repair. In FY19, an estimated \$2,000 in labor will be spent towards repairs of the current, aging split-railed fence.

Finally, in FY 23, 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. Also, the process of replacing low-quality cart paths on the course will continue during this budget year.



Electric golf carts purchased in 2015.



Public Works Administration Services Fund

City of Prineville Public Works Capital Improvement Plan Fiscal Years 2019 - 2023						
Project Description	Current Year Construction Estimate	2019	2020	2021	2022	2023
Backhoe	\$ 100,000					\$ 100,000
Used Dump Truck	\$ 70,000		\$ 70,000		\$ 75,000	
Pickup	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Used Grader	\$ 140,000	\$ 140,000				
Tilt Deck Trailer	\$ 25,000				\$ 26,500	
Gator	\$ 18,500				\$ 20,000	
Equipment Shed	\$ 75,000			\$ 75,000		
Total	\$ 468,500	\$ 180,000	\$ 110,000	\$ 115,000	\$ 161,500	\$ 140,000

Project Description

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



Crews work on North East Juniper Street during a paving project in October 2017.



Capital Improvement Projects Operating Impact Summary

City of Prineville Capital Improvement Projects Estimated Operating Impact Summary in thousands FY 19								
Fund / Department	Project Description	Long-term Operating Costs / Saving Benefit Association	2019	2020	2021	2022	2023	5 year total
General Fund								
Police	Update Radios for Police	No Impact to operation budget						\$ -
Emergency Dispatch Fund								
	Tower Project-Paulina	No Impact to operation budget						\$ -
	700/800 Megahertz Trunk System	No Impact to operation budget						\$ -
Transportation Fund								
	SE Fairview St. Grind & Inlay - NE 4th to SE Lynn	No Impact to operation budget						\$ -
	NW 4th Grind & Inlay - Elm to Fairview	No Impact to operation budget						\$ -
	SE 2nd St. Grind & Inlay - Fairview to Idlewood	No Impact to operation budget						\$ -
	NW Industrial Park Rd. - 3" Overlay	No Impact to operation budget						\$ -
	NE Sterns 1-1/2" Overlay - 3rd to Cattleman	No Impact to operation budget						\$ -
	NE Williamson 1-1/2" Overlay - 3rd to End	No Impact to operation budget						\$ -
	NE Slayton Court 1-1/2" Overlay	No Impact to operation budget						\$ -
	NE Baldwin Court 1-1/2" Overlay	No Impact to operation budget						\$ -
	NW High Desert Drive 2" Overlay	No Impact to operation budget						\$ -
	N Main - 2" Overlay - Peters to County Jurisdiction	No Impact to operation budget						\$ -
	Crack Seal SE Quadrant	No Impact to operation budget						\$ -
	ODOT - Transit Grant	No Impact to operation budget						\$ -
Transportation SDC Fund								
	Tom McCall Roundabout Feature	Landscaping maint.		\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 20.0
	Barnes Butte Complex Master Plan	No Impact to operation budget						\$ -
	Rails to Trails Match	Regular trail maint. & possible snow plowing		\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.1	\$ 8.1
	Elm Street Bridge Match	Anticipated decrease in maint.						\$ -
Water Fund								
	Water Rights (Including Administration & Mitigation Credits)	No Impact to operation budget						\$ -
	Habitat Conservation Plan	No Impact to operation budget						\$ -
	Crooked River Concept	No Impact to operation budget						\$ -
	NW 4th St. - N Main to NW Deer - Water Improv.	Anticipated decrease in maint.						\$ -
	NW 5th St. - N Main to NW Deer - Water Improv.	Anticipated decrease in maint.						\$ -
	NW 5th St. - NW Deer to NW Harwood - Water Improv.	Anticipated decrease in maint.						\$ -
	SE 4th - S Belknap to SE Fairview, 3rd to 5th on Belknap - Improv	Anticipated decrease in maint.						\$ -
	Airport Industrial Park Utility Extension	Growth induced increases in electricity		\$ 13.0	\$ 13.0	\$ 26.0	\$ 26.0	\$ 78.0
	ASR Project	No Impact to operation budget						\$ -
Water SDC Fund								
	Airport Industrial Park Utility Extension	No Impact to operation budget						\$ -
Wastewater Fund								
Treatment Plant	ATV	Regular maint. & mechanic time		\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 1.8
Treatment Plant	Distribution Upgrades	Anticipated decrease in maint.						\$ -
Treatment Plant	Pump Headworks	Anticipated decrease in maint.						\$ -
Treatment Plant	Wetland Projects	No Impact to operation budget						\$ -
Sanitary Sewer	McDougal Pump Replacement	Anticipated decrease in maint.						\$ -
Sanitary Sewer	NE 7th St. - Garner to Holly (Replace 8" Conc with 12" PVC)	Anticipated decrease in maint.						\$ -
Sanitary Sewer	SE 5th St. - Garner to Idlewood (Replace 8" Conc with 8" PVC)	Anticipated decrease in maint.						\$ -
Sanitary Sewer	Infiltration & Inflow Maintenance	Anticipated decrease in maint.						\$ -
Sanitary Sewer	Airport Industrial Park Utility Extensions	No Impact to operation budget						\$ -
Wastewater SDC Fund								
	Airport Industrial Park Utility Extension	No Impact to operation budget						\$ -
Railroad Fund								
Maint. of Equip.	Locomotive Rebuild/Upgrade EMD GP Units	Anticipated decrease in maint. & mechanic time						\$ -
Maint. of Equip.	Pickup	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Maint. of Way	O'Neil Signal	No Impact to operation budget						\$ -
Maint. of Way	Bridges - MP 13.8 (Madras Highway Overpass)	No Impact to operation budget						\$ -
Maint. of Way	Bridges - MP 16 (McKay Creek Bridge)	No Impact to operation budget						\$ -
Maint. of Way	Track - MP 0.01 - 33rd	No Impact to operation budget						\$ -
Maint. of Way	Track - MP 3.3 - Lone Pine Crossing	No Impact to operation budget						\$ -
Airport Fund								
	Connect Oregon Grant - USFS Airbase/Fuel System/Match	Regular maint. for access road		\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 20.0
	USFS Airbase Project	Utilities, building maint., custodial & landscaping		\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 140.0
	Airbase - Parking Apron	3 to 5 yr. maint. cycle for asphalt - usage dependent		\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 20.0
	Airport Equipment	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Golf Course and Restaurant Fund								
Golf Course	Fairway Mower	Anticipated decrease in maint. & mechanic time						\$ -
Golf Course	Replace Refrigeration in Kitchen	Anticipated decrease in maint.						\$ -
Golf Course	Trim Mower / Gang Rough Mower	Anticipated decrease in maint. & mechanic time						\$ -
Building Facilities / Property Fund								
Police Facility	Police Facility Structural Remodel	Debt service increase & decrease in building maint.	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 250.0
Police Facility	Replace Sidewalks	No Impact to operation budget						\$ -
Barnes Butte Prop.	Improvements	Park & trail maint.	\$ 6.3	\$ 6.5	\$ 6.7	\$ 6.9	\$ 7.1	\$ 33.5
Admin. / Financial Support Service Fund								
IT	Incude Version 10 Financial Software Upgrade Phase III	No Impact to operation budget						\$ -
IT	Radio Service Software Upgrade	No Impact to operation budget						\$ -
Public Work Support Service Fund								
Fleet Maint. & Ops	Pickup	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Fleet Maint. & Ops	Used Grader	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Total			\$ 56.3	\$ 118.9	\$ 124.1	\$ 132.8	\$ 133.1	\$ 665.2



Long-range Planning Models

Water Fund Financial Forecasts							
	Budget	Estimated	Proposed	Projection	Projection	Projection	Projection
Resources	2018	2018	2019	2020	2021	2022	2023
Charges for services	\$ 2,457	\$ 2,502	\$ 2,590	\$ 2,655	\$ 2,721	\$ 2,803	\$ 2,887
Interest	7	10	5	5	6	7	7
Miscellaneous	6	6	-	-	-	-	-
SDC Reimbursement Fee	127	127	127	127	124	127	124
Project Reimbursement	300	440	-	-	-	-	-
Debt Proceeds	2,280	2,271	-	-	-	-	-
Transfers	285	285	-	-	-	-	-
Total resources	5,462	5,641	2,722	2,787	2,851	2,937	3,018
Expenditures							
Materials and services	507	530	469	485	502	522	543
Franchise fee	123	123	130	133	136	140	144
Capital outlay	938	1,398	1,170	400	300	300	300
Equipment							
Improvements	938	1,398	1,170	400	300	300	300
Debt service							
Principal	2,565	2,605	102	125	125	135	135
Revenue Bond - 2003	285	335	-	-	-	-	-
Refunding Bonds	2,280	2,270	102	125	125	135	135
Interest	113	113	87	96	91	86	81
Revenue Bond - 2003	17	17	-	-	-	-	-
Refunding Bonds	96	96	87	96	91	86	81
Transfers	1,195	1,195	1,247	1,291	1,336	1,389	1,445
Total expenditures	5,441	5,964	3,205	2,530	2,490	2,572	2,648
Revenue over/(under) expenditures	21	(323)	(483)	257	361	365	370
Beginning fund balance	1,480	1,497	1,174	691	948	1,309	1,674
Ending fund balance	\$ 1,501	\$ 1,174	\$ 691	\$ 948	\$ 1,309	\$ 1,674	\$ 2,044
Fund balance analysis							
Available fund balance	1,501	1,174	691	948	1,309	1,674	2,044
Desired available fund balance	683	689	687	702	717	735	755
Difference	818	485	4	246	592	939	1,289
Assumptions							
Rate - single family home (8 CCF/mo)	\$ 34.46	\$ 33.46	\$ 34.46	\$ 35.15	\$ 35.85	\$ 36.57	\$ 37.30
% increase - rates	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
\$ change - rates - SF home (8 CCF/mo)	2.01	1.01	1.00	0.69	0.70	0.72	0.73
CPI %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI %	114.8%	118.3%	121.8%	125.5%	129.2%	133.1%	137.1%
Personal services adjustment %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Population growth rate	0.0%	0.0%	0.5%	0.5%	0.5%	1.0%	1.0%
Population	9,385	9,385	9,432	9,479	9,526	9,621	9,717
Franchise fee	5%	5%	5%	5%	5%	5%	5%
Capital outlay							
Capital outlay - 2011 dollars	350	300	300	300	300	300	300
Capital outlay - inflation adjusted \$	938	1,398	1,170	400	300	300	300
Outstanding debt							
Revenue bond 2003	135	(200)	(200)	(200)	(200)	(200)	(200)
Refunding issue	283	(1,987)	(2,089)	(2,214)	(2,339)	(2,474)	(2,609)
	418	(2,187)	(2,289)	(2,414)	(2,539)	(2,674)	(2,809)
DCR Analysis							
Revenue	\$ 2,457	\$ 2,502	\$ 2,590	\$ 2,655	\$ 2,721	\$ 2,803	\$ 2,887
Expenditures, excluding bond issuance costs	1,702	1,725	1,716	1,776	1,838	1,911	1,988
Net revenue	755	777	874	879	883	892	899
Debt service - excluding refunding	2,678	2,718	189	221	216	221	216
DCR	0.28	0.29	4.62	3.98	4.09	4.04	4.17
Revenue with SDC reimbursement	2,869	2,914	2,717	2,782	2,845	2,930	3,011
DCR with SDC reimbursement	0.44	0.44	5.30	4.55	4.66	4.61	4.74
EDU per capita %							
SDC - EDUs	-	-	22	22	22	44	44
SDC reimbursement - EDU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SDC - improvement	\$ 2,956	\$ 3,045	\$ 3,136	\$ 3,230	\$ 3,327	\$ 3,427	\$ 3,530



Wastewater Fund
Financial Forecasts

Resources	Budget	Estimated	Proposed	Projection	Projection	Projection	Projection
	2018	2018	2019	2020	2021	2022	2023
Charges for services	\$ 3,481	\$ 3,500	\$ 3,535	\$ 3,632	\$ 3,732	\$ 3,835	\$ 3,940
Intergovernmental		\$ 227					
Interest	5	15	15	10	24	28	34
Miscellaneous	89	106	93	96	99	102	105
SDC Reimbursement Fee	1,733	1,743	59	73	75	78	81
Debt Proceeds	7,167	6,650					
Transfers	345	345					
Total resources	12,820	12,586	3,702	3,811	3,930	4,043	4,160
Expenditures							
Personal services	116	122	128	136	144	152	162
Materials and services	599	611	625	650	676	703	731
Franchise fee	173	173	177	182	187	192	197
Capital outlay	325	610	1,061	285	285	272	250
Debt service							
Principal	5,211	9,333	780	830	847	866	891
DEQ CWSRF R74682/2	448	448	461	475	489	504	519
2017 Refunding issue	170	4,885	120	160	164	167	176
State of Oregon IFA 2015	27	-	32	28	27	28	29
DEQ - term loan FY 2018	4,500	4,000	-	-	-	-	-
USDA - 2018	66		167	167	167	167	167
Interest	447	289	236	298	277	251	225
DEQ CWSRF R74682/2	139	139	126	112	98	83	68
2011 Refunding issue	195	97	100	180	172	162	152
State of Oregon IFA 2015	10		10	6	7	6	5
DEQ bridge loan - 2015	103	53	-	-	-	-	-
Fees	25	25	22	20	17	15	12
DEQ CWSRF R74682/2	25	24	22	20	17	15	12
Transfers	1,341	1,341	1,400	1,411	1,441	1,471	1,501
Total expenditures	8,237	12,504	4,429	3,812	3,874	3,922	3,969
Resources over/(under) expenditures	4,583	82	(727)	(1)	56	121	191
Beginning fund balance	1,963	1,847	1,929	1,202	1,201	1,257	1,378
Ending fund balance	\$ 6,546	\$ 1,929	\$ 1,202	\$ 1,201	\$ 1,257	\$ 1,378	\$ 1,569
Other requirements							
Debt service reserves	456	659	468	468	468	468	468
Available fund balance	6,090	1,270	734	733	789	910	1,101
Minimum fund balance	769	776	796	807	823	839	856
Difference	5,321	494	(62)	(74)	(34)	71	245
SDCs Treatment							
SDCs Improvement - Treatment	49	51	53	55	57	59	61
Interest earnings	1	3	5	6	8	10	12
Balance	96	150	208	269	334	403	476
Assumptions	Proposed	Projection	Projection	Projection	Projection	Projection	Projection
	2017	2018	2019	2020	2021	2022	2023
Rate - single family home	\$ 55.72	\$ 57.78	\$ 57.78	\$ 58.79	\$ 59.82	\$ 60.87	\$ 61.94
% increase - rates (% of CPI)	3.70%	3.70%	0.00%	1.75%	1.75%	1.75%	1.75%
CPI %	1.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI % - 2015 forward	104.9%	108.0%	111.2%	114.6%	118.0%	121.6%	125.2%
Population growth rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Population increase	94	95	96	97	97	98	99
Population	9,460	9,555	9,651	9,748	9,845	9,943	10,042
Franchise fee	5%	5%	5%	5%	5%	5%	5%
Interest earnings rate	1.0%	1.0%	1.5%	1.75%	2.00%	2.25%	2.50%
Capital outlay - 2015 dollars	200	200	200	200	200	200	200
EDU per capita %							
SDC - EDUs	43	44	44	45	45	45	46
SDC reimbursement - EDU	\$ 1,487	\$ 1,532	\$ 1,578	\$ 1,625	\$ 1,674	\$ 1,724	\$ 1,776
SDC - improvement - Treatment	\$ 1,125	\$ 1,159	\$ 1,194	\$ 1,230	\$ 1,267	\$ 1,305	\$ 1,344
SDC - improvement - Collection	\$ 1,587	\$ 1,635	\$ 1,684	\$ 1,735	\$ 1,787	\$ 1,841	\$ 1,896
Plant capacity - EDUs	6,423	6,423	6,423	6,423	6,423	6,423	6,423
Plant utilization - EDU's	4,700	4,744	4,788	4,833	4,878	4,923	4,969
Plant utilization % of capacity	73.2%	73.9%	74.5%	75.2%	75.9%	76.6%	77.4%
Outstanding balance							
DEQ CWSRF R74682/1	4,000	4,000	4,000	4,000	4,000	4,000	4,000
DEQ CWSRF R74682/2	4,811	4,363	3,902	3,427	2,938	2,434	1,915
Refunding issue - FFCO	4,640	4,470	4,270	4,050	3,815	3,565	3,305
State of Oregon IFA 2015	723	697	670	642	615	587	558
DEQ loan - bridge - converted to term FY 2018	6,417	6,417	3,580	3,408	3,234	3,058	2,881
USDA - 2015	-	6,650	3,703	3,655	3,604	3,553	3,499
	13,451	12,833	12,172	11,477	10,753	9,999	9,220



Golf Course Fund							
	Budget	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
	2018	2018	2019	2020	2021	2022	2023
Resources							
Charges for services	\$ 1,204	\$ 1,103	\$ 1,206	\$ 1,233	\$ 1,288	\$ 1,342	\$ 1,397
Interest	3	4	4	3	4	4	5
Miscellaneous	7	10	8	7	757	7	
Transfers	370	370	370	370	370	370	370
Debt proceeds	395	394	-	-	-	200	-
Total resources	1,979	1,881	1,588	1,613	2,419	1,923	1,772
Expenditures							
Golf course	416	398	409	421	434	447	460
Waste disposal	442	426	450	459	468	478	487
Restaurant	566	537	546	573	602	632	664
Capital outlay	49	30	50	50	800	250	50
Debt service							
Principal - FFC	24	24	25	24	24	24	24
Interest - FFC	4	4	3	4	4	4	4
Principal - credit facility	-	-	-	-	-	-	-
Interest - credit facility	-	-	-	-	-	-	-
Principal - 2011 bonds	395	415	-	-	-	-	-
Interest - 2011 bonds	17	32	-	-	-	-	-
Principal - 2017 bonds	-	-	40	45	45	50	50
Interest - 2017 bonds	-	-	15	10	9	8	6
Total expenditures	1,913	1,866	1,538	1,587	2,386	1,893	1,745
Resources over/(under) expendit	66	15	50	27	33	31	27
Beginning fund balance	423	402	417	467	494	526	557
Ending fund balance	\$ 489	\$ 417	\$ 467	\$ 494	\$ 526	\$ 557	584
Adj operating revenue	1,584	1,584	1,588	1,613	1,669	1,723	1,772
Adj operating expenditures	1,424	1,424	1,405	1,454	1,504	1,557	1,611
Net adjusted sewer revenue	160	160	183	160	165	167	161
Debt service supported by Golf	119	119	83	83	82	86	84
DCR	1.34	1.34	2.20	1.92	2.01	1.94	1.92
Rounds	27,162	27,162	27,189	27,216	27,271	27,325	27,380
CPI	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth - additional rounds	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
Revenue per round	42.68	42.68	43.53	44.40	45.29	46.19	47.12
Growth revenue per round	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest rate - new bonds	0.0%	0.0%	2.67%	2.67%	2.67%	2.67%	2.67%



General Fund							
Fiscal Years 2018 - 2023	Budget	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
Revenue	2018	2018	2019	2020	2021	2022	2023
Property taxes	2,050	2,065	2,140	2,236	2,348.12	2,466	2,564
Transient lodging tax	350	310	310	320	320	320	350
Franchise taxes	2,413	2,620	2,615	2,946	3,093	3,248	3,345
Licenses & permits	11	9	9	10	10	9	9
Intergovernmental	231	290	374	220	221	225	225
Charges for Services	225	366	265	275	285	295	305
Miscellaneous	60	76	76	35	35	35	35
Transfers	72	73					
Debt Proceeds		433					
Total revenue	5,412	6,242	5,789	6,042	6,312	6,597	6,833
Expenses							
Police	4,062	4,734	4,730	4,872	5,018	5,169	5,324
Police Facility	-	-	-	-	-	-	-
Non Dept. General	1,290	1,327	1,252	1,260	1,200	1,200	1,200
Total expenditures	5,352	6,061	5,982	6,132	6,218	6,369	6,524
Revenue over/(under) expenditures	60	181	(193)	(90)	94	229	310
Beginning fund balance	1,429	1,583	1,764	1,571	1,481	1,575	1,804
Prior period adjustment							
Ending fund balance	1,489	1,764	1,571	1,481	1,575	1,804	2,113





Adopted Fiscal Year 2018-2019 Budget





Personnel

Adopted Fiscal Year 2018-2019 Budget

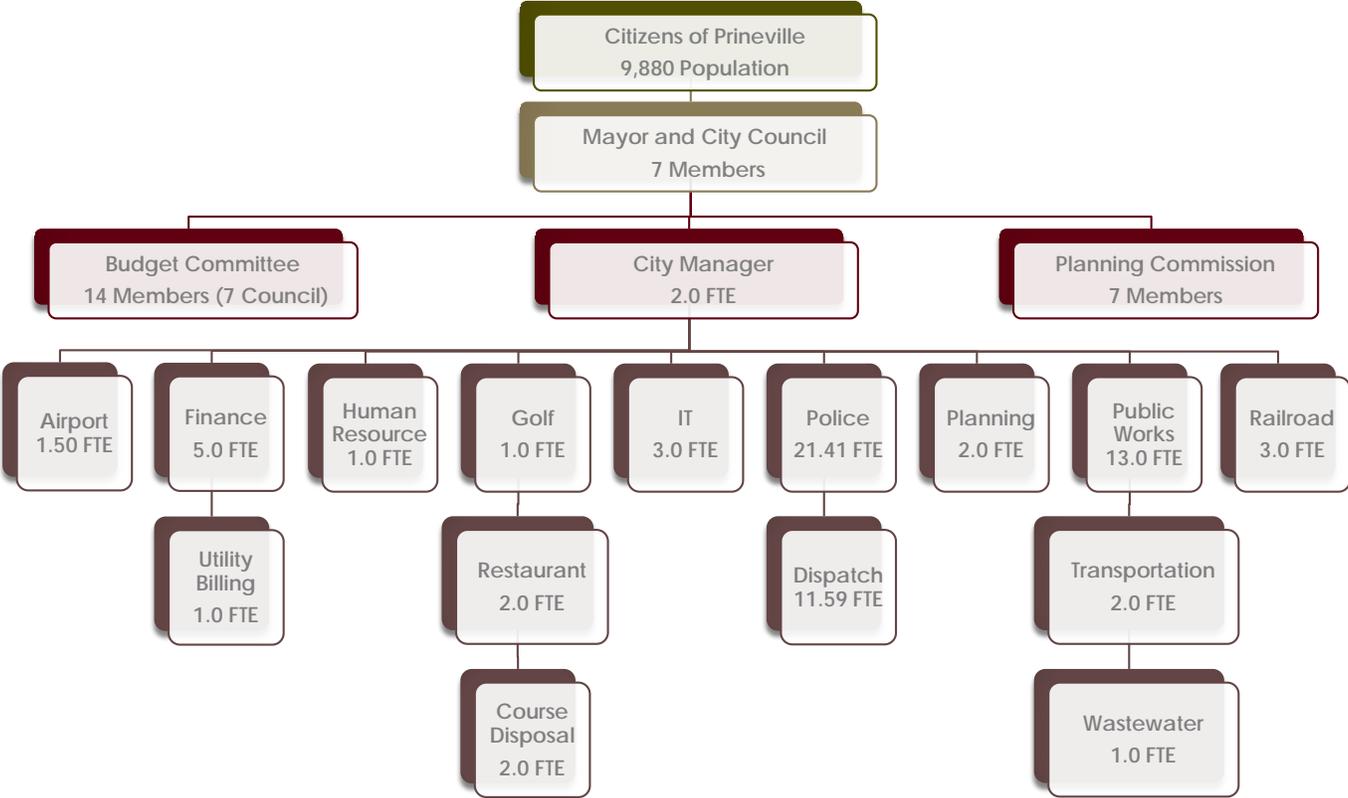




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Organizational Chart



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



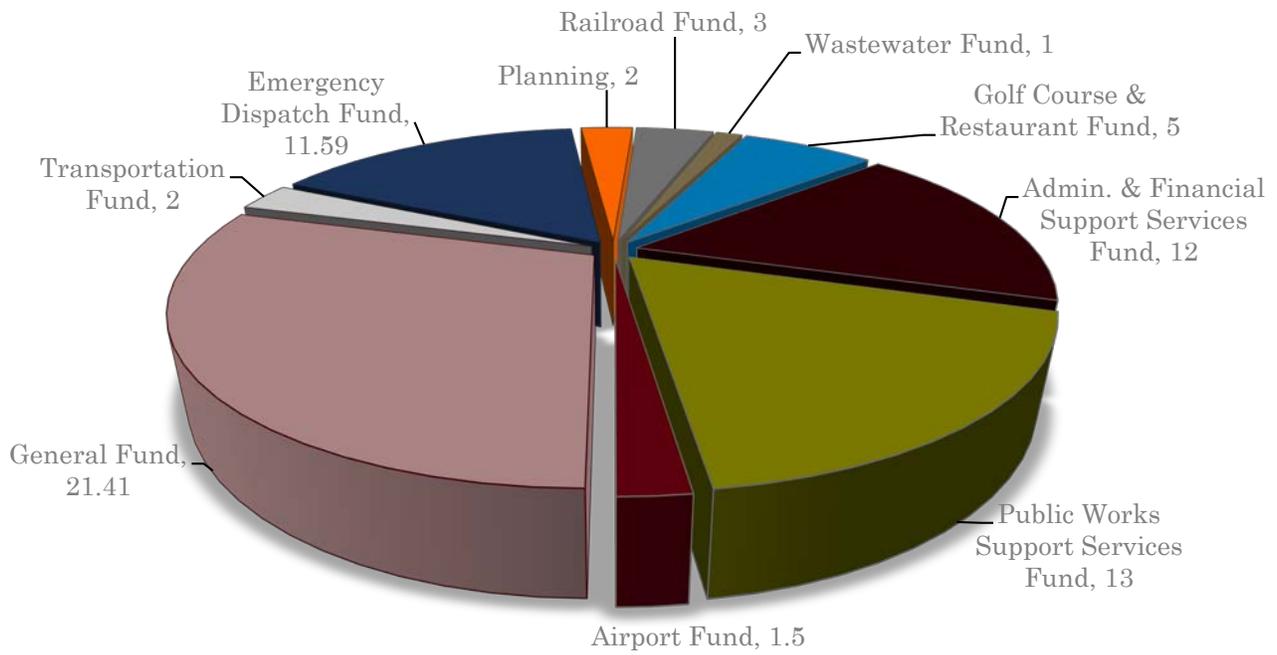
FTEs Budgeted Positions and Salary Ranges by Fund

Positions - Prior Years and Budget Year by Functional Area Excludes Part-time and Seasonal Help									
Department & Position	FY 15	FY 16	FY 17	FY 18	FY 19	Monthly FY 19 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	6,997	9,796	83,964	117,552
Captain	1.00	1.00	1.00	1.00	1.00	4,214	8,389	50,568	100,668
Administrative Services Manager	0.66	0.66	0.66	0.66	0.66	4,268	5,335	51,216	64,020
Sergeant	3.00	3.00	4.00	4.00	4.00	5,521	7,177	66,252	86,124
Police Officer	10.66	11.00	11.00	11.00	13.00	4,627	5,421	55,524	65,052
Community Services Officer	1.00	0.66	0.00	0.00	0.00	4,043	4,738	48,516	56,856
Evidence Officer	0.50	0.50	0.50	0.50	0.50	3,439	4,027	41,268	48,324
Office Technician	0.66	1.00	1.00	1.00	1.00	3,439	4,027	41,268	48,324
Janitorial	0.25	0.25	0.25	0.25	0.25	Hourly			
Police Department Total	18.73	19.07	19.41	19.41	21.41				
<i>FY 16 - Office Technician no longer split between Emergency Dispatch and the Police Department.</i>									
<i>FY 17 - Patrol Officer promoted to Sergeant in November. Community Services Officer position distributed between Patrol Officers.</i>									
<i>FY 19 - Added an additional two Police Officer positions.</i>									
General Fund Total	18.73	19.07	19.41	19.41	21.41				
Planning Fund									
Planning Director	1.00	1.00	1.00	1.00	1.00	5,521	7,177	66,252	86,124
Senior Planner	1.00	1.00	1.00	1.00		4,801	6,241	57,612	74,892
Associate Planner					1.00	4,268	5,335	51,216	64,020
Planning Department Total	2.00	2.00	2.00	2.00	2.00				
<i>FY 18 - Senior Planner promoted to Planning Director towards the end of the fiscal year.</i>									
Transportation Fund									
Senior Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	4,705	5,169	56,460	62,028
Utility Worker	1.00	1.00	1.00	1.00	1.00	4,306	4,770	51,672	57,240
Transportation Fund Total	2.00	2.00	2.00	2.00	2.00				
Emergency Dispatch Fund									
Communications Director	1.00	1.00	1.00	1.00	1.00	5,521	7,177	66,252	86,124
Administrative Services Manager	0.34	0.34	0.34	0.34	0.34	4,268	5,335	51,216	64,020
Communications Supervisor	1.00	1.00	2.00			4,801	6,241	57,612	74,892
Communications Officer	6.00	7.32	6.98	9.50	9.50	4,043	4,738	48,516	56,856
Office Technician	0.50					3,439	4,027	41,268	48,324
Evidence Officer		0.50	0.50	0.50	0.50	3,439	4,027	41,268	48,324
Janitor	0.25	0.25	0.25	0.25	0.25	Hourly			
Emergency Dispatch Fund Total	9.09	10.41	11.07	11.59	11.59				
<i>FY 16 - Evidence Officer partially funded by Emergency Dispatch. Communications Officers increased by two part-time officers. Office Technician moved to PD.</i>									
<i>FY 17 - Communications Officer moved to Communications Supervisor and one part-time position increased to full-time.</i>									
<i>FY 18 - Communications Supervisor position restructured to increased Communication Officers.</i>									
Railroad Fund									
Operations Manager	1.00	1.00	1.00	1.00	1.00	6,214	8,389	74,568	100,668
Superintendent / Engineer	1.00	1.00	1.00	1.00		4,705	5,169	56,460	62,028
Freight Depot / Track Maintenance	1.00	1.00	1.00			4,306	4,770	51,672	57,240
Conductor / Mechanic				2.00	2.00	4,568	5,032	54,816	60,384
Railroad Fund Total	3.00	3.00	3.00	4.00	3.00				
<i>FY 18 - Railroad Superintendent retired and the positions were restructured.</i>									
Airport Fund									
General Manager	1.00	1.00	1.00	1.00	1.00	5,521	7,177	66,252	86,124
Assistant	1.00	1.00	1.00	1.00	0.50	3,314	4,143	39,768	49,716
Airport Fund Total	2.00	2.00	2.00	2.00	1.50				
<i>FY 19 - Assistant to the Airport Manager position changed to part-time towards the end of FY 18.</i>									
Wastewater Fund									
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00	1.00	4,846	5,310	58,152	63,720
Utility Worker	1.00					4,306	4,770	51,672	57,240
Wastewater Fund Total	2.00	1.00	1.00	1.00	1.00				
<i>FY 16 - Moved Utility Worker from Wastewater to Public Works Support Services.</i>									



Department & Position	FY 15	FY 16	FY 17	FY 18	FY 19	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	5,521	7,177	66,252	86,124	
Golf Course Disposal Site										
Superintendent	1.00	1.00	1.00	1.00	1.00	4,801	6,241	57,612	74,892	
Assistant Superintendent				1.00	1.00	3,711	4,639	44,532	55,668	
Greenskeeper / Irrigation Technician	1.00	1.00	1.00			2,541	3,176	30,492	38,112	
Mechanic	1.00	1.00				2,959	3,699	35,508	44,388	
Golf Course Disposal Site Total	3.00	3.00	2.00	2.00	2.00					
Golf Operations										
Golf Shop Manager	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	0.00	0.00	0.00					
Restaurant Operations										
Restaurant Manager	1.00	1.00	1.00	1.00	1.00	4,268	5,335	51,216	64,020	
Kitchen Manager	1.00	1.00	1.00	1.00	1.00	2,959	3,699	35,508	44,388	
Restaurant Operations Total	2.00	2.00	2.00	2.00	2.00					
Golf Course & Restaurant Fund Total	7.00	7.00	5.00	5.00	5.00					
<i>FY 17 - Golf Shop Manager position eliminated. Mechanic position changed to seasonal part-time.</i>										
<i>FY 18 - Greenskeeper promoted to Assistant Superintendent.</i>										
Administration & Financial Support Services Fund										
City Manager	1.00	1.00	1.00	1.00	1.00	7,892	11,838	94,704	142,056	
City Recorder / Risk Manager	1.00	1.00	1.00	1.00	1.00	4,268	5,335	51,216	64,020	
Finance Director	1.00	1.00	1.00	1.00	1.00	6,997	9,796	83,964	117,552	
Finance Assistant I			1.00			2,642	3,303	31,704	39,636	
Finance Assistant II	3.00	3.00	2.00	3.00	3.00	3,214	4,143	38,568	49,716	
Finance Assistant III	1.00		1.00	1.00	1.00	4,268	5,335	51,216	64,020	
Accounting Supervisor		1.00	1.00			4,106	5,134	49,272	61,608	
Accounting Manager				1.00	1.00	4,801	6,241	57,612	74,892	
IT Manager	1.00	1.00	1.00	1.00	1.00	6,214	8,389	74,568	100,668	
IT Specialist I	0.50	0.50	0.00	0.00	1.00		Hourly	18,720	26,800	
IT Specialist II	1.00	1.00	2.00	1.00	1.00	4,268	5,335	51,216	64,020	
Human Resources Manager	1.00	1.00	1.00	1.00	1.00	5,521	7,177	66,252	86,124	
Procurement / Contract Administration	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	13.00	12.00	12.00					
<i>FY 16 - Finance Assistant III promoted to Accounting Supervisor.</i>										
<i>FY 17 - Moved part-time IT Specialist I to full-time IT Specialist II. Finance Department restructured.</i>										
<i>FY 18 - Promoted Finance I to Finance II and Accounting Supervisor to Accounting Manager.</i>										
<i>FY 19 - Procurement / Contract Admin. changed to Public Works Projects Coordinator. Position moved from Admin. to PW Support Services. Adding an IT Specialist.</i>										
Public Works Support Services Fund										
City Engineer / Public Works Director	1.00	1.00	1.00	1.00	1.00	6,997	9,796	83,964	117,552	
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00	1.00	5,521	7,177	66,252	86,124	
Assistant City Engineer	0.25	1.00	1.00	1.00	1.00	5,521	7,177	66,252	86,124	
Administrative Technician	1.00	1.00				4,435	4,899	53,220	58,788	
Mechanic	1.00	1.00	1.00	1.00	1.00	4,568	5,032	54,816	60,384	
Utility Worker	5.00	6.00	7.00	7.00	7.00	4,306	4,770	51,672	57,240	
Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	4,568	5,032	54,816	60,384	
Public Works Projects Coordinator					1.00	3,711	4,639	44,532	55,668	
Public Works Support Services Fund Total	10.25	12.00	12.00	12.00	13.00					
<i>FY 16 - Moved Utility Worker from Wastewater to Public Works Support Services. Assistant Engineer position made full-time.</i>										
<i>FY 17 - During the year, the Administrative Technician position was eliminated and the Utility Worker position increased.</i>										
<i>FY 19 - Procurement / Contract Admin. changed to Public Works Projects Coordinator. Position moved from Admin. to PW Support Services.</i>										
City of Prineville FTE Total	67.57	69.98	70.48	71.00	72.50					





City staff getting their picture taken with Santa Claus at the City holiday party in December 2017.



Employee Comparison with Other Cities

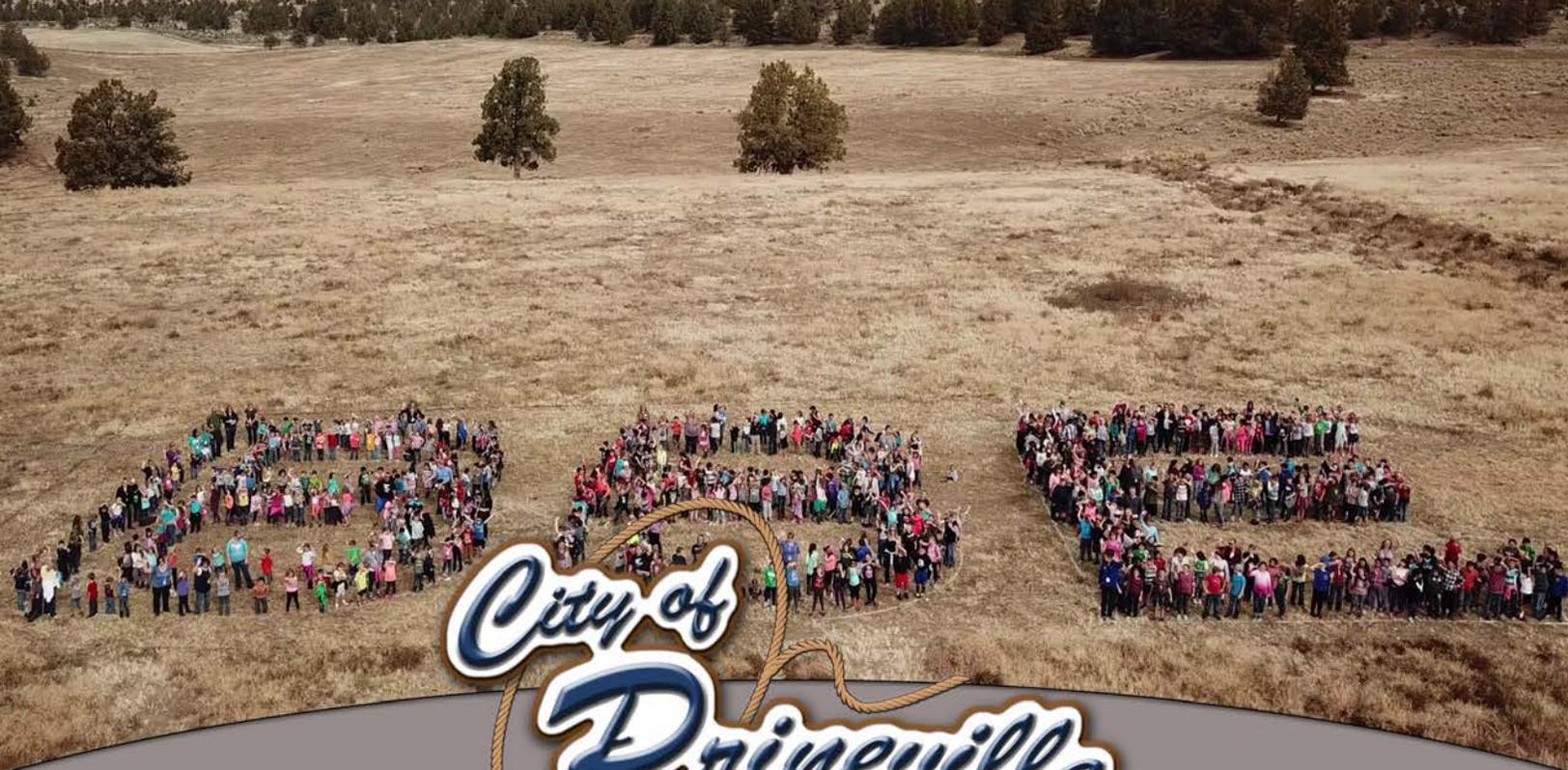
Comparisons With Other Cities including FTE's Per Capita Measured in Full-Time Equivalents					
	City Employees by Department by City (FTEs)				
	Prineville	Madras*	Redmond*	Bend*	Sisters*
Service Departments					
Building				38.00	
Code Enforcement				4.00	
Engineering	1.00		8.00	40.00	
Municipal Court				4.50	
Planning	2.00			15.00	
Public Safety - Police	21.41	11.00	49.50	128.00	
Public Works / Utilities	12.00	12.15	26.00	115.73	9.50
Transportation	2.00		22.00	46.00	
Service Departments Total	38.41	23.15	105.50	391.23	9.50
Support Departments					
Legal				4.00	
City Manager's Office	1.00	1.00	2.00	12.75	2.75
Communications			1.00	3.00	
City Recorder	1.00	1.00	2.00		
Contract / Procurement	1.00			4.00	
Community Development		2.00	18.60	21.50	2.80
Economic Development				3.00	
Finance	6.00	3.85	5.00	26.63	2.75
Parks / Facilities Management			11.00	6.00	
Human Resources	1.00	1.00		8.00	
Information Technology	3.00		4.00	20.00	
Support Departments Total	13.00	8.85	43.60	108.88	8.30
Unique Services					
Cemetery				1.00	
City Fire Department				120.10	
City 911 Dispatch Service	11.59				
City Golf	5.00	**	***		
Railroad	3.00				
Airport	1.50	**	24.00	2.25	
Unique services Total	21.09	0.00	24.00	123.35	0.00
Total Full Time Equivalents (FTEs)	72.50	32.00	173.10	623.46	17.80
Population	9,880	7,000	27,495	83,500	2,390
FTEs per Capita (per 1,000 of Population)	7.34	4.57	6.30	7.47	7.45

*Based on FY 18 budgets.

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

***Redmond's golf course is leased.





*City of
Prineville*

Adopted Fiscal Year 2018-2019 Budget



PRINEVILLE
CITY HALL
367 NE 2ND STREET

Governmental Funds

General Fund

Police Department • Non-departmental

Adopted Fiscal Year 2018-2019 Budget

PRINEVILLE CITY HALL





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General Fund

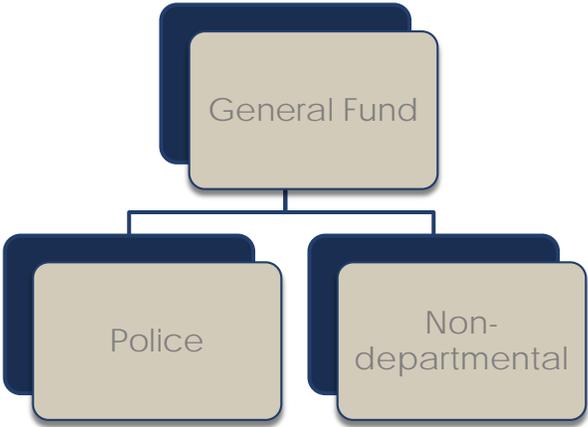


General Fund Responsibility to the Community

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



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, as well as 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	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 15-16	FY 16-17	Budget FY 17-18	FY 17-18	Budget FY 18-19	Budget FY 18-19	Budget FY 18-19
Beginning fund balance	\$ 797,059	\$ 963,851	\$ 1,429,051	\$ 1,583,740	\$ 1,763,840	\$ 1,763,840	\$ 1,763,840
Current year resources							
Property taxes	1,843,406	1,963,049	2,050,000	2,065,000	2,140,000	2,140,000	2,140,000
Transient lodging tax	315,677	329,514	350,000	310,000	310,000	310,000	310,000
Franchise fees	1,826,847	2,479,972	2,413,000	2,620,000	2,615,000	2,615,000	2,615,000
Licenses and permits	11,082	9,218	11,200	9,000	8,900	8,900	8,900
Intergovernmental revenues	220,243	228,639	231,100	290,000	374,000	374,000	374,000
Charges for services	145,497	150,662	225,000	366,000	265,000	265,000	265,000
Interest	4,894	8,974	4,500	17,000	21,000	21,000	21,000
Miscellaneous	57,758	73,858	55,600	58,700	55,100	55,100	55,100
Transfers		75,075	72,185	73,000			
Debt proceeds	-	720,000		433,000			
Total current year resources	\$ 4,425,404	\$ 6,038,961	\$ 5,412,585	\$ 6,241,700	\$ 5,789,000	\$ 5,789,000	\$ 5,789,000
Total resources	\$ 5,222,463	\$ 7,002,812	\$ 6,841,636	\$ 7,825,440	\$ 7,552,840	\$ 7,552,840	\$ 7,552,840
Expenditures							
Police	\$ 3,398,299	\$ 3,739,227	\$ 4,062,100	\$ 4,734,300	\$ 4,729,600	\$ 4,729,600	\$ 4,729,600
Police facility	63,577	-		-			
Non-departmental	796,737	1,679,845	1,289,800	1,327,300	1,252,300	1,252,300	1,252,300
Transfers							
Contingency			1,489,736		1,570,940	1,570,940	1,570,940
Total expenditures	\$ 4,258,613	\$ 5,419,072	\$ 6,841,636	\$ 6,061,600	\$ 7,552,840	\$ 7,552,840	\$ 7,552,840
Ending fund balance	\$ 963,851	\$ 1,583,740	\$ -	\$ 1,763,840	\$ -	\$ -	\$ -

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

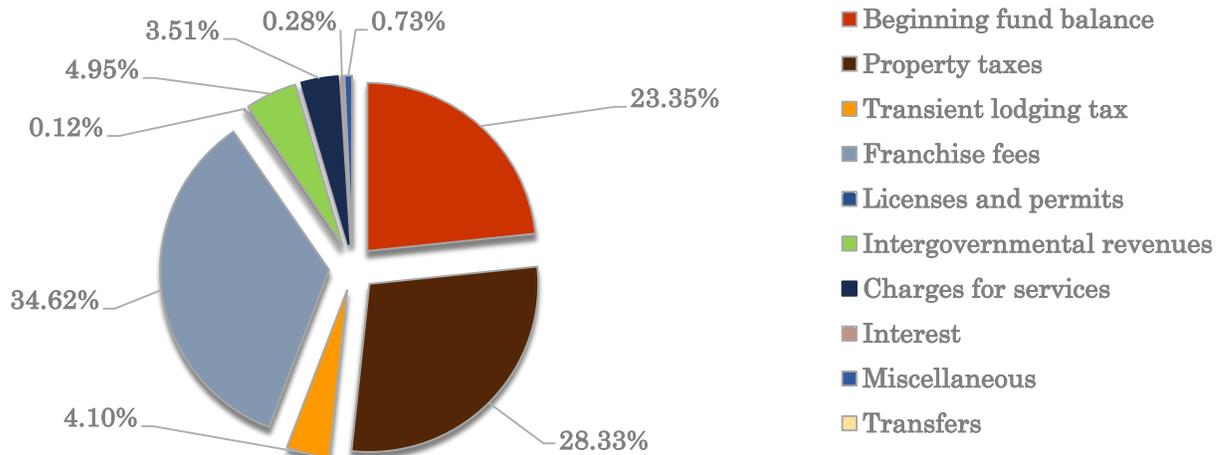


Beginning Fund Balance Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
General	\$1,583,740	\$1,763,840	11%	\$1,570,940	\$1,570,232	0%

The beginning fund balance increased approximately 11 percent from the previous year largely due to the increase in electrical franchise fees from data centers. The proposed ending fund balance will decrease approximately 12 percent from the beginning FY 19 proposed fund balance. This fund meets reserve requirements of \$1,570,232.

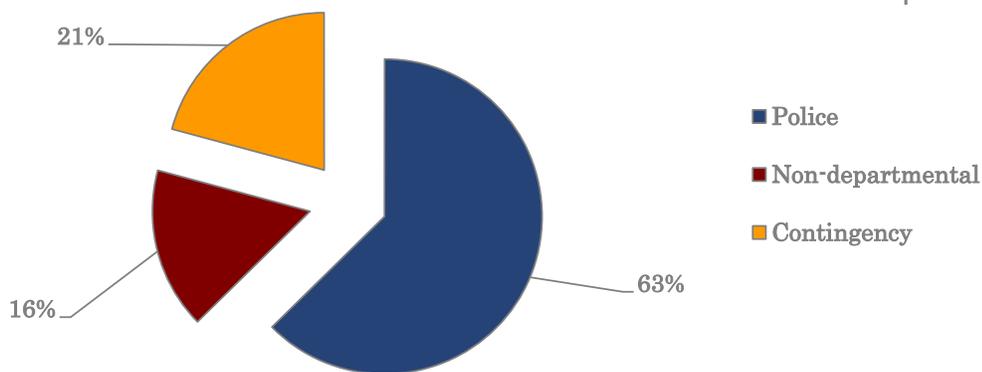
Resources



Assumptions

Projections received from the Crook County Assessor's office indicate the collection of taxes to be up approximately 4.5 to 5.5 percent over prior year. The City took a conservative approach to collection, estimating current tax revenue at a 4 percent increase for the coming year. Franchise fees are estimated to remain flat as timing of the build out of the data centers is unpredictable.

Requirements



Assumptions

In FY 19, the total requirements for the General Fund will increase approximately 10 percent overall. Public safety operations are increasing approximately 16 percent over prior year and non-departmental requirements decreased approximately 3 percent. Non-departmental expenditures include the Prineville-Crook County Chamber of Commerce, street lighting, and transfers to the Airport, Planning, Transportation Operations, Barnes Butte property, and Pension Obligation (POB) Funds. Also included in non-departmental is council miscellaneous spending for the downtown enhancement program and a contribution of \$80,000 for the splash park restrooms.



Police Department



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 19

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
Increase personnel to deal with quality of life calls, drug issues, and increased school presence	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 continued to grow as a regional player and nationally recognized law enforcement agency in FY 18. The pinnacle of the year was the success shared with several regional and state partners during the eclipse. Though our events swelled to close to 100,000 people coming into the region, our citizens and visitors showed overwhelming support for the service provided during the event. The Facebook page, initiated the year before, was used extensively by staff to keep people updated during the event. The page surged in followers, and to this day, over 12,000 people follow the Prineville PD Facebook page. Our department made new friends from as far away as Germany who stay in contact with us even today.

In late FY 18, the position of community services 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 a sworn officer to handle 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.

In FY 19, the department will hire two additional officers. These positions will create a narcotics officer and a school resource officer (SRO). Prineville has seen a direct correlation between drug addiction and crimes against community members. From burglaries to domestic violence, addiction has played a part. We can directly affect these issues with additional enforcement coupled with education and referrals to our community partners. The SRO will not only provide the drug education aspects in our schools, but help to provide elevated safety to kids and staff during the school day.

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



Chief of Police Dale Cummins



management of the agency charged with ensuring all 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.



The department purchased two used Ford Interceptors in FY 17 like the one above to add to the current fleet.

Accomplishments for FY 18

- Maintained Lexipol manual.
- Maintained accreditation through the Oregon Accreditation Alliance.
- Purchased six new police vehicles.
- Local and state cooperation to ensure safety during 2017 eclipse.
- Increase community contact through social media to 12,000 followers.

Strategic Planning Updates

- Short-term – Research software and technology advancements that can increase our efficiencies and safety.
- 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.



City of Prineville Police Department fundraising.



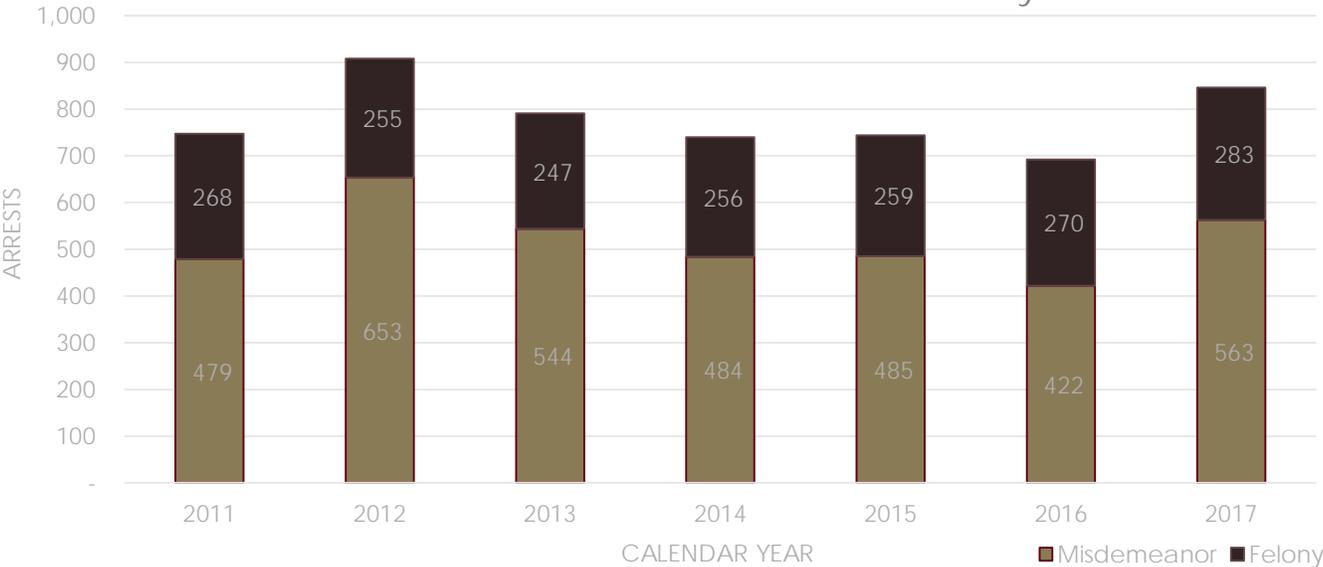
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Update Radios for Police		\$ 50,000
Capital Outlay Total		\$ 50,000

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 85.

Performance Measures

Total Arrests

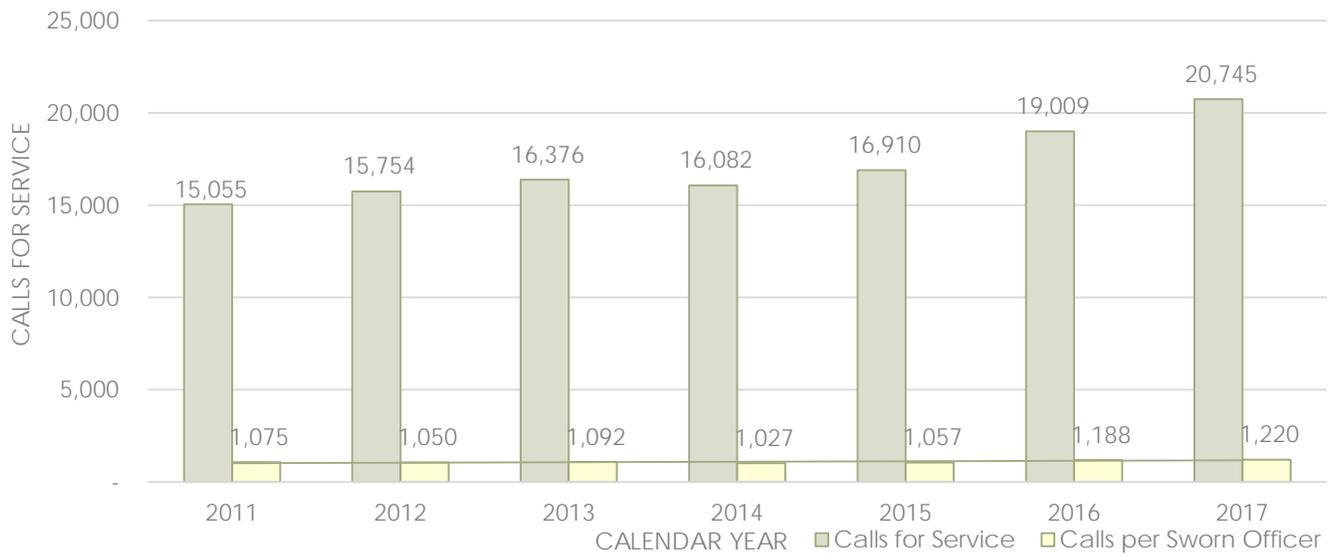
Misdemeanor or Greater Arrests by Calendar Year



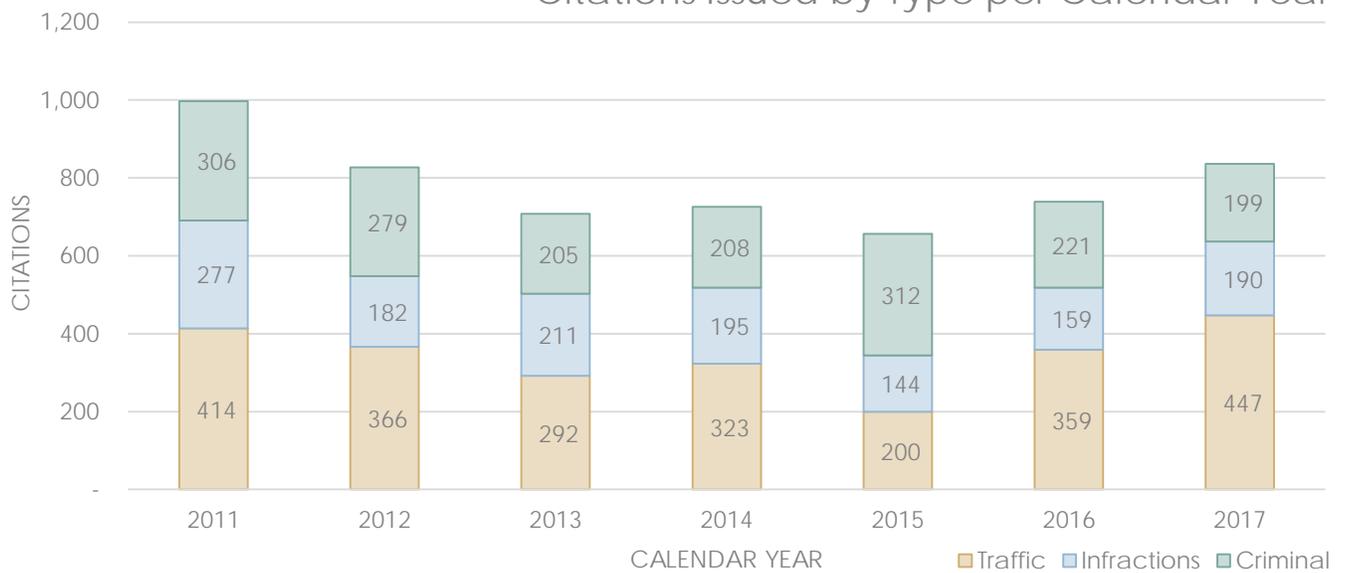
City of Prineville Police Department employees sporting their eclipse attire in August 2017.



Calls for Service Calls for Police Assistance per Calendar Year



Citations Issued Citations Issued by Type per Calendar Year





Members of the Prineville Police Department, other law enforcement agencies, and citizens take part in a Law Enforcement Memorial Day ceremony on May 15, 2018.

Police Department Budget

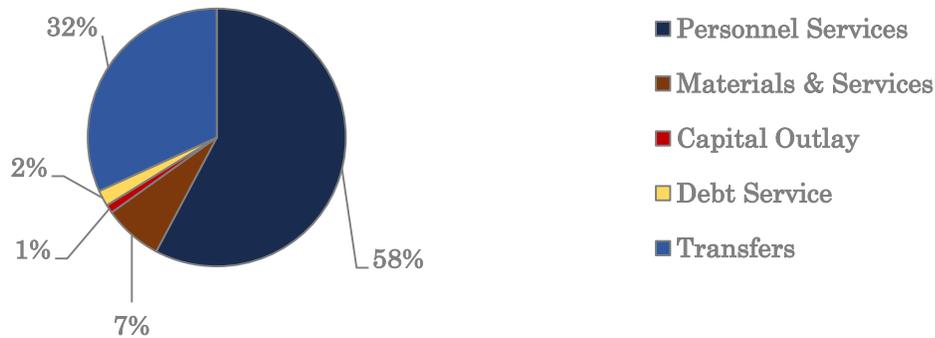
Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Personnel Services	\$ 2,160,118	\$ 2,326,798	\$ 2,463,600	\$ 2,491,200	\$ 2,732,200	\$ 2,732,200	\$ 2,732,200
Materials & Services	308,885	274,815	326,500	501,100	348,400	348,400	348,400
Capital Outlay	12,682	45,000	70,000	540,000	50,000	50,000	50,000
Debt Service	54,413	54,413	54,500	54,500	95,300	95,300	95,300
Transfers	862,200	1,038,200	1,147,500	1,147,500	1,503,700	1,503,700	1,503,700
Total expenditures	\$ 3,398,299	\$ 3,739,227	\$ 4,062,100	\$ 4,734,300	\$ 4,729,600	\$ 4,729,600	\$ 4,729,600



General Fund – Police Department FTEs by Position FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 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	4.00	4.00	4.00
Police Officer	11.00	11.00	11.00	13.00
Community Services Officer	0.66			
Evidence Officer	0.50	0.50	0.50	0.50
Office Technician	1.00	1.00	1.00	1.00
Janitorial	0.25	0.25	0.25	0.25
Police Department Total	19.07	19.41	19.41	21.41

Two Police Officer positions were added for FY 19.

Requirements



The expense of personnel services increased 11 percent over prior year with the addition of a new SRO and a code position. SRO positions are supported by an intergovernmental agreement and formula between the City and the Crook County School District. Materials and services increased approximately 7 percent. A budget adjustment was done in FY 18 for the purchase of a fleet of six vehicles increasing capital outlay to \$540,000. FY 19 capital outlay totals \$50,000. Debt service increased approximately 75 percent to cover debt service for new fleet of vehicles.

Police Department Facility Budget

Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Proposed Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Materials & Services	\$ 63,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-	-	-
Total expenditures	\$ 63,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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



Non-departmental



Non-departmental Executive Summary

Activities not associated directly with public safety operations are accounted for within the non-departmental budget. In FY 19, a transfer to the Planning Fund is budgeted for \$130,000, compared to \$320,000 budgeted in FY 18. The 5 percent administrative fees collected from system development charges (SDC) fees for the data center build out has positively affected funds across the board by lowering transfers needed to operate administrative funds. Also budgeted for FY 19 is a transfer of \$50,000 to the Prineville-Crook County Airport for operational support, a transfer of \$400,000 to the Transportation 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. This year a contribution for the splash park restroom project in the amount of \$80,000 is budgeted. A transfer to the Building Facilities/Property Fund for debt service and capital expenditures for the Barnes Butte property is also budgeted along with an additional \$100,000 principal payment to reduce the balloon payment in 2027.



Non-departmental Budget

Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Materials & Services	260,837	250,876	269,800	257,300	347,300	347,300	347,300
Capital Outlay		721,317	-		-	-	-
Transfers	535,900	695,500	870,000	1,070,000	905,000	905,000	905,000
Debt service							
Ironhorse Property		12,152	150,000		-	-	-
Total expenditures	\$ 796,737	\$ 1,679,845	\$ 1,289,800	\$ 1,327,300	\$ 1,252,300	\$ 1,252,300	\$ 1,252,300



Councilor Steve Uffelmann addresses students of Barnes Butte Elementary at the Barnes Butte property grand opening on October 25, 2017.





*City of
Prineville*

Adopted Fiscal Year 2018-2019 Budget

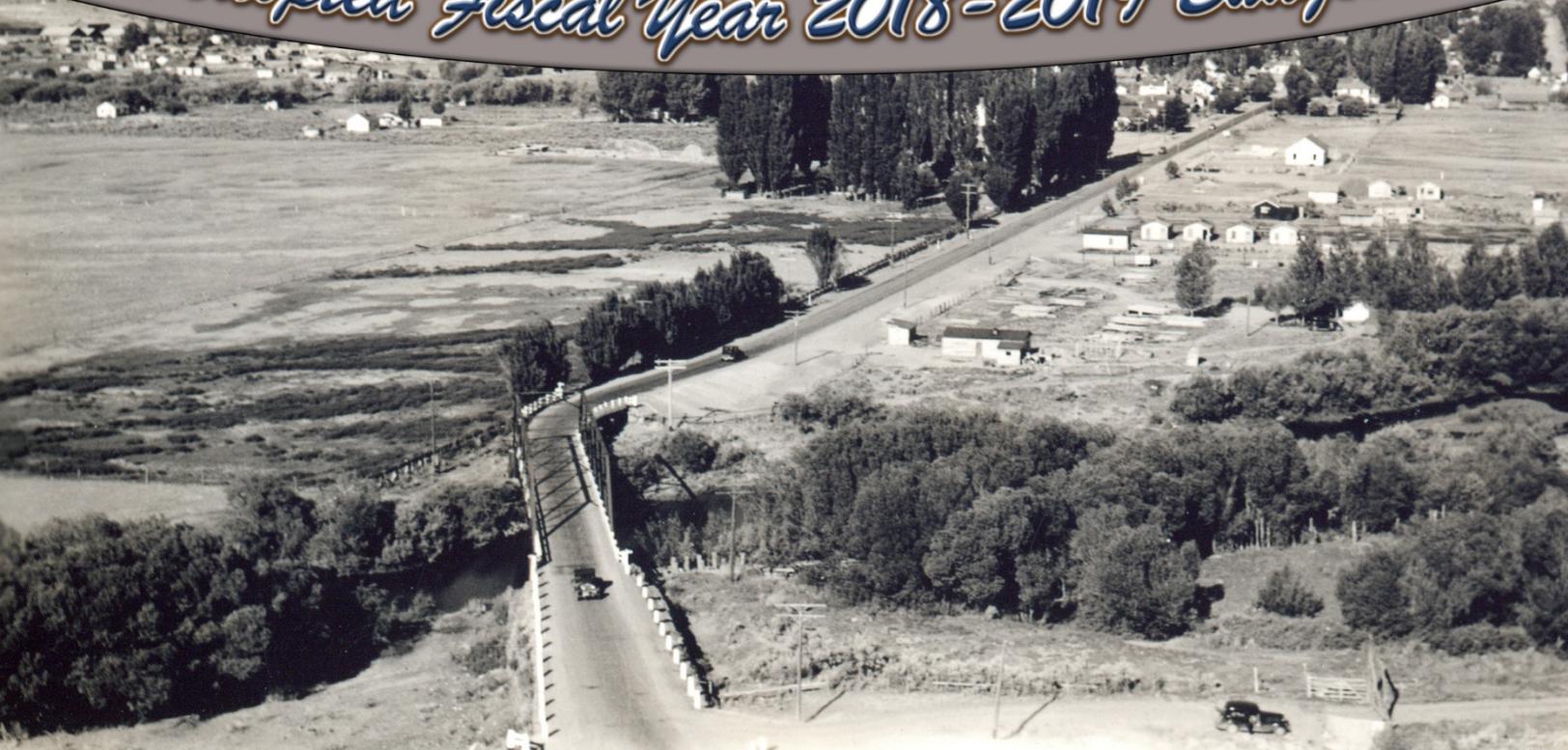




Special Revenue Funds

*Transportation Operations Fund
Emergency Dispatch Fund
Planning Fund*

Adopted Fiscal Year 2018-2019 Budget





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Transportation Operations Fund



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 19

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 Americans 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 departments' capital construction needs	To be fiscally responsible in all we do

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.

Executive Summary



Crook County High School students take part in the annual noise parade along NE 3rd Street during homecoming week in October 2017.





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

Accomplishments for FY 18

- Completed 16 blocks of paving.
- Upgraded 5 ADA wheel chair ramps while utilizing public involvement, which currently boasts a great relationship with the community.
- Swept up 498 tons of material from city streets.
- Secured funding for the replacement of the Elm Street Bridge.
- Received a \$4 million from the State HB 2017; these dollars will go towards the completion of the Tom McCall roundabout scheduled for construction in 2018 and pedestrian safety improvements.
 - The City is in active negotiation with ODOT to develop a downtown enhancement project by matching the City's HB 2017 funds with ODOT funds to enhance the downtown core.
- By working with the finance committee, the Transportation Department has increased funding to maintain the City's street network. This network of 57 centerline miles of streets is the City's most valuable asset with a current replacement value of \$93 million.
 - Increased expenditures in the maintenance of this asset will protect the City's investment for years to come.
- The Transportation Fund played a key role in the acquisition of the Barnes Butte Complex, which includes:
 - Future ROW to connect of Combs Flat and Peters roads
 - 620 acres of open space
 - Over 8 miles of existing and proposed trails
 - Many educational opportunities with the nearby Barnes Butte Elementary

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 the 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 19

The Transportation Department received \$4 million from HB 2017. These dollars will go towards the completion of the Tom McCall Roundabout and pedestrian safety improvements throughout our community. The Department also 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 paving the Barnes Butte property access road in September 2017.



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Capital Rehabilitation		
SE Fairview Street Grind and Inlay – NE 4th to SE Lynn	\$ 212,960	\$ 212,960
NW 4th Street Grind and Inlay – Elm to Fairview	\$ 24,360	\$ 24,360
SE 2nd Street Grind and Inlay – Fairview to Idlewood	\$ 75,280	\$ 75,280
NW Industrial Park Road – 3-inch Overlay	\$ 88,920	\$ 88,920
NE Sterns – 1-1/2-inch Overlay - 3rd to Cattleman	\$ 22,880	\$ 22,880
NE Williamson – 1-1/2-inch Overlay - 3rd to End	\$ 28,000	\$ 28,000
NE Slayton Court – 1-1/2-inch Overlay	\$ 14,880	\$ 14,900
NE Baldwin Court – 1-1/2-inch Overlay	\$ 7,200	\$ 9,700
NW High Desert Drive – 2-inch Overlay	\$ 105,000	\$ 105,000
N Main Street – 2-inch Overlay - Peters to County Jurisdiction	\$ 58,000	\$ 58,000
Capital Rehabilitation		
Crack Seal SE Quadrant	\$ 200,000	\$ 80,000
Other		
ODOT Transit Grant		\$ 104,600
Capital Outlay Total	\$ 837,480	\$ 824,600

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 85.



Crews lay asphalt during the Juniper Street paving in October 2017.



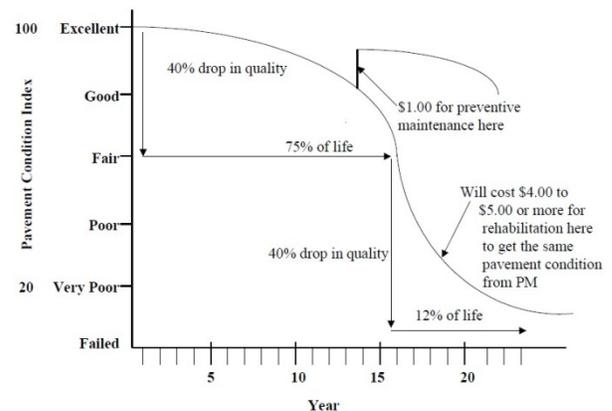
Performance Measures Overall Pavement Condition Index

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.

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.



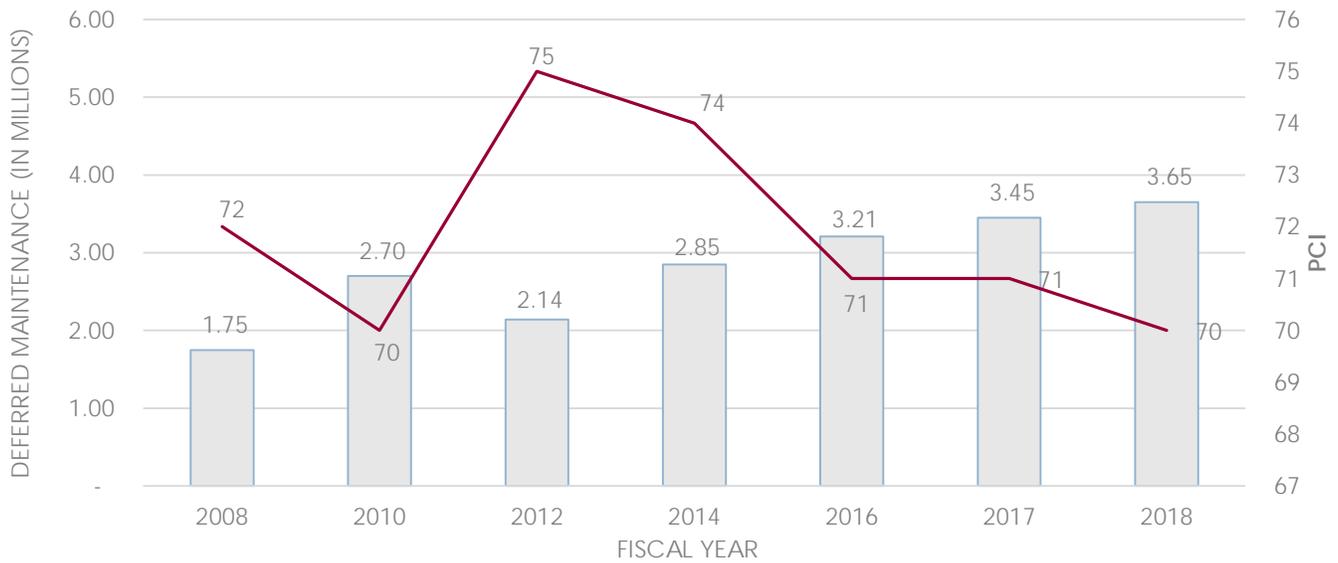
By focusing the limited budget on preservation activities, the Transportation Department is able to raise the PCI. It is important to remember the most economical PCI is in the low to mid 80s.



Street Superintendent, Scott Smith, working on a paving project in June 2017.



Scenario Comparison Deferred Maintenance and PCI



Pavement Condition Index Score by Calendar Year



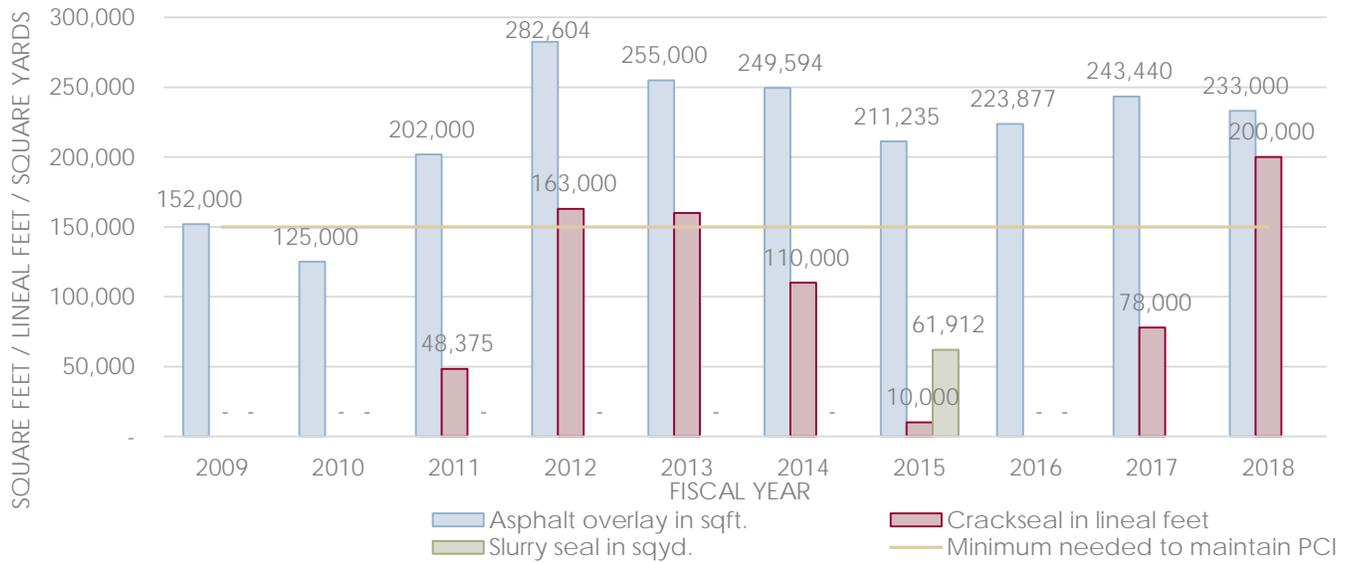
The Transportation Department utilizes the *Metropolitan Transportation Commissions Street Saver* software to identify proposed maintenance activities based upon pavement conditions and available budget. This program takes into account the PCI of each street and proposes what streets to treat and how to treat them. To maintain the current PCI of 70, the City needs to invest a minimum of \$500,000 per year in maintenance activities. The current funding level of \$700,000 per year will result in a PCI of 73 after five years and a deferred maintenance cost of \$3,000,000.



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



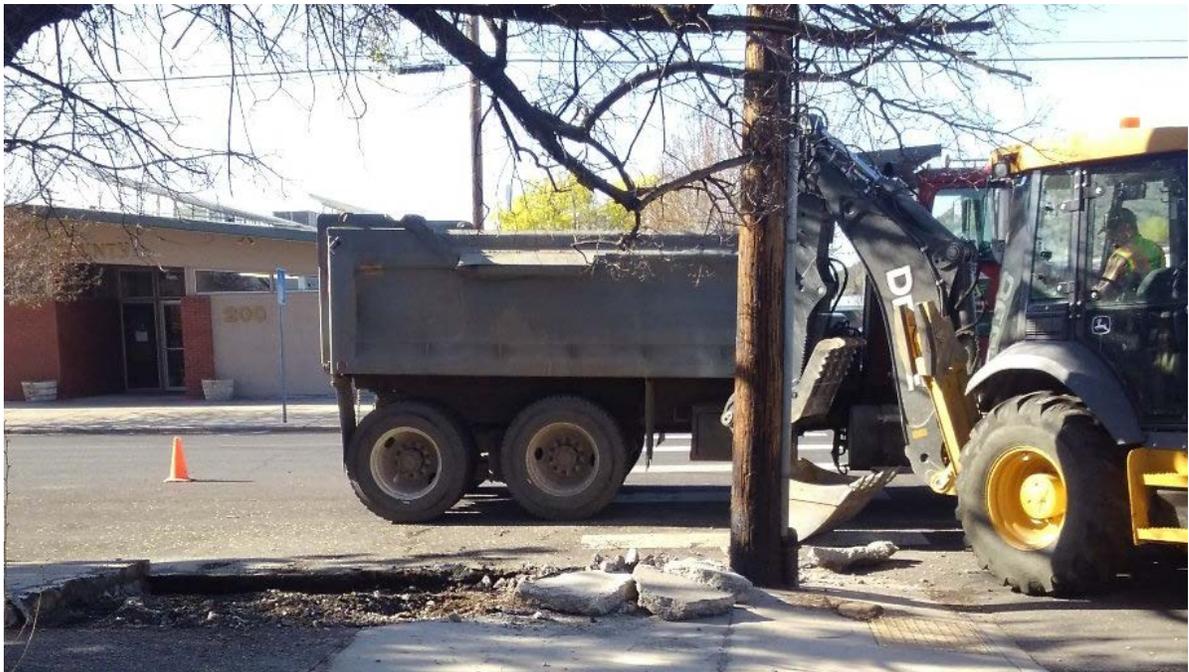
Scott Smith works alongside contractors during the Juniper Street paving project.



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 18, the Transportation Department replaced five ADA ramps. Costs for ADA ramp replacements have more than quadrupled within the last few years due to ongoing ADA lawsuits. The City of Prineville is currently struggling to find contractors that are willing to do this potentially litigious work. 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



The Transportation Department removing an old ADA ramp in order to replace it in 2018.



Transportation Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 233,580	\$ 267,186	\$ 195,486	\$ 269,757	\$ 323,857	\$ 323,857	\$ 323,857
Current year resources							
Intergovernmental	\$ 868,412	\$ 952,906	\$ 848,300	\$ 885,900	\$ 1,008,700	\$ 1,008,700	\$ 1,008,700
Franchise fees	\$ 259,000	\$ 277,000	\$ 300,000	\$ 300,000	307,000	307,000	307,000
Interest	1,807	2,689	1,800	1,800	2,500	2,500	2,500
Miscellaneous	11,769	18,211	8,500	8,500	8,500	8,500	8,500
Transfers from other funds	100,000	100,000	400,000	400,000	400,000	400,000	400,000
Total current year resources	\$ 1,240,988	\$ 1,350,806	\$ 1,558,600	\$ 1,596,200	\$ 1,726,700	\$ 1,726,700	\$ 1,726,700
Total resources	\$ 1,474,568	\$ 1,617,992	\$ 1,754,086	\$ 1,865,957	\$ 2,050,557	\$ 2,050,557	\$ 2,050,557
Expenditures							
Personnel Services	\$ 198,121	\$ 231,494	\$ 227,700	\$ 225,700	\$ 235,500	\$ 235,500	\$ 235,500
Material & services	178,322	221,956	236,300	233,800	235,600	235,600	235,600
Capital outlay							
Improvements	452,839	493,285	654,600	659,300	824,600	824,600	824,600
Transfers	378,100	401,500	423,300	423,300	418,100	418,100	418,100
Contingency			212,186		336,757	336,757	336,757
Total expenditures	\$ 1,207,382	\$ 1,348,235	\$ 1,754,086	\$ 1,542,100	\$ 2,050,557	\$ 2,050,557	\$ 2,050,557
Ending fund balance	\$ 267,186	\$ 269,757	\$ -	\$ 323,857	\$ -	\$ -	\$ -

Personnel

Transportation Fund FTEs by Position FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 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 19.

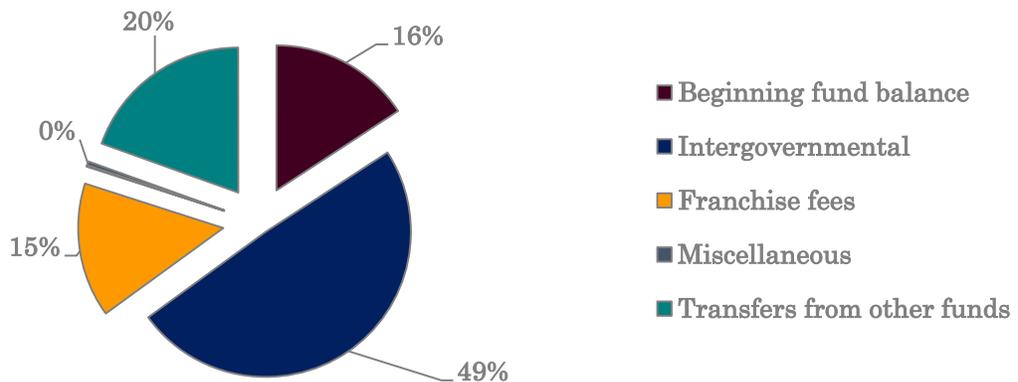


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Transportation	\$269,757	\$323,857	20%	\$336,757	\$196,840	71%

Fund balance shows improvement over prior year fund balance of 20 percent. Projects budgeted for FY 19 total \$824,600. Fund balance is projected to increase approximately 4 percent by year-end. Ending fund balance/contingency meets the City's financial policy objectives by 71 percent. Management continues to look for new revenue opportunities and efficiencies within the department.

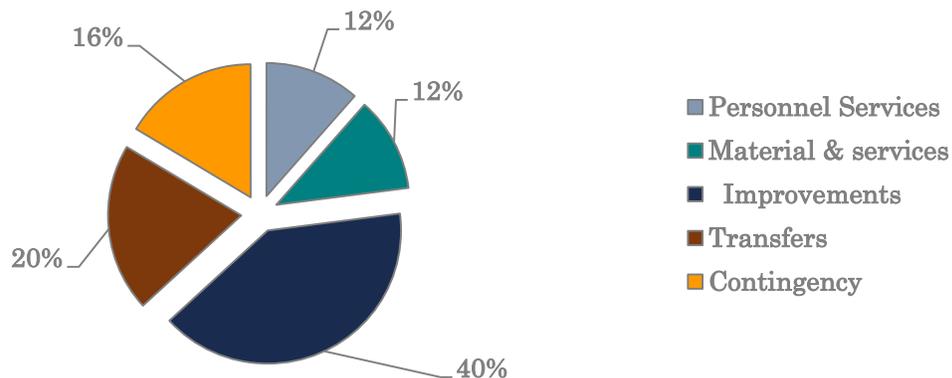
Resources



Assumptions

Overall expected revenues for FY 19 show an 11 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 \$716,100 approx. 29 percent higher than the previous year, State Revenue Sharing is projected at \$90,000.

Requirements



Assumptions

Requirements budgeted overall in FY 19 increased over prior year budget by approximately 17 percent. Personnel services are increasing approximately 3 percent, materials and services decreasing slightly, capital outlay increasing approx. 26 percent, and transfers decreasing. 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 and an increase to revenue from state gas tax.



Emergency Dispatch Fund



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 19

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. Dispatch created and implemented a new training syllabus in FY18 that saw two trainees successfully complete the program. To meet our internal needs we trained two of our Dispatchers to become a certified training officer that is able to train future training officers and a certified Emergency Medical Dispatch trainer. This allows us to train our personnel in house saving time and money.



The 911 Dispatch Center after improvements were completed in 2014.



Accomplishments for FY 18

- Upgraded 911 phone system.
- Implemented text to 911.
- Upgraded three radio consoles.
- Trained and retained two new dispatchers.

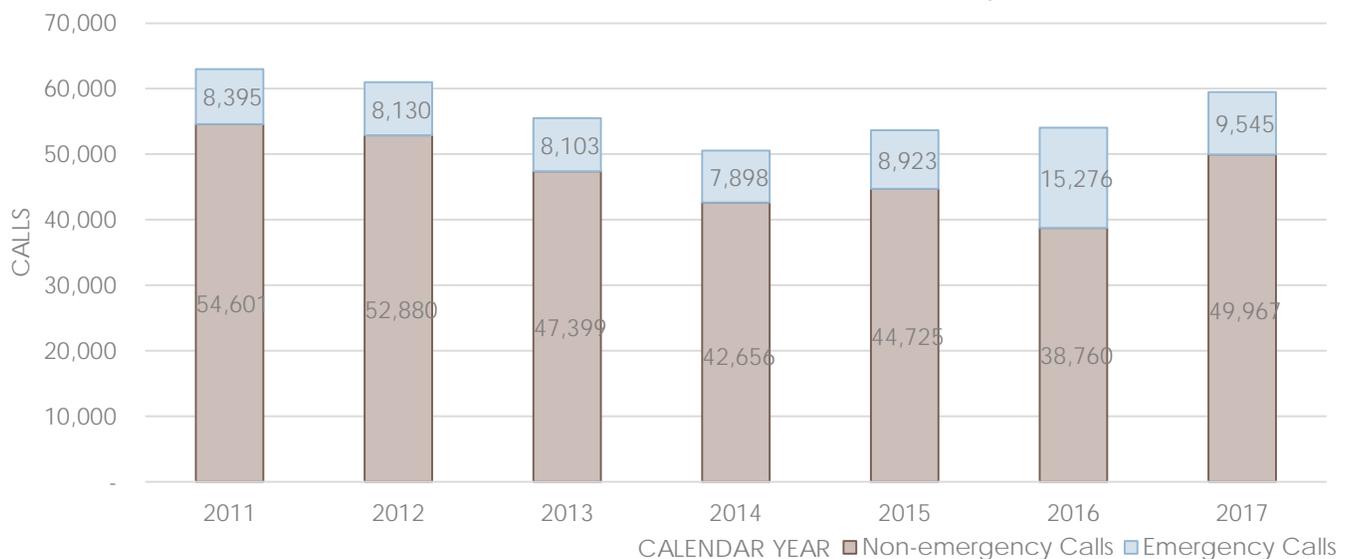
Strategic Planning Updates

- 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.

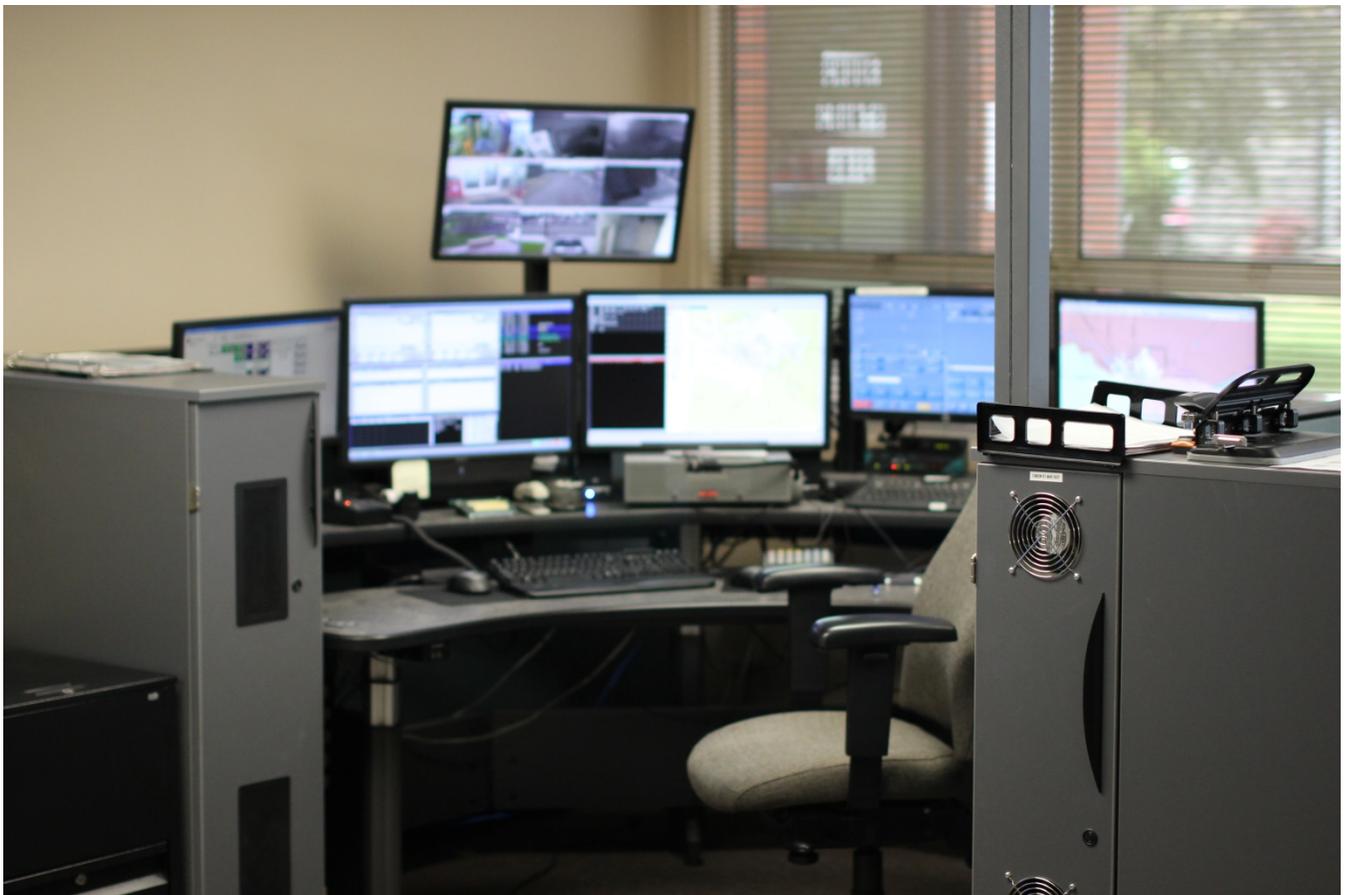
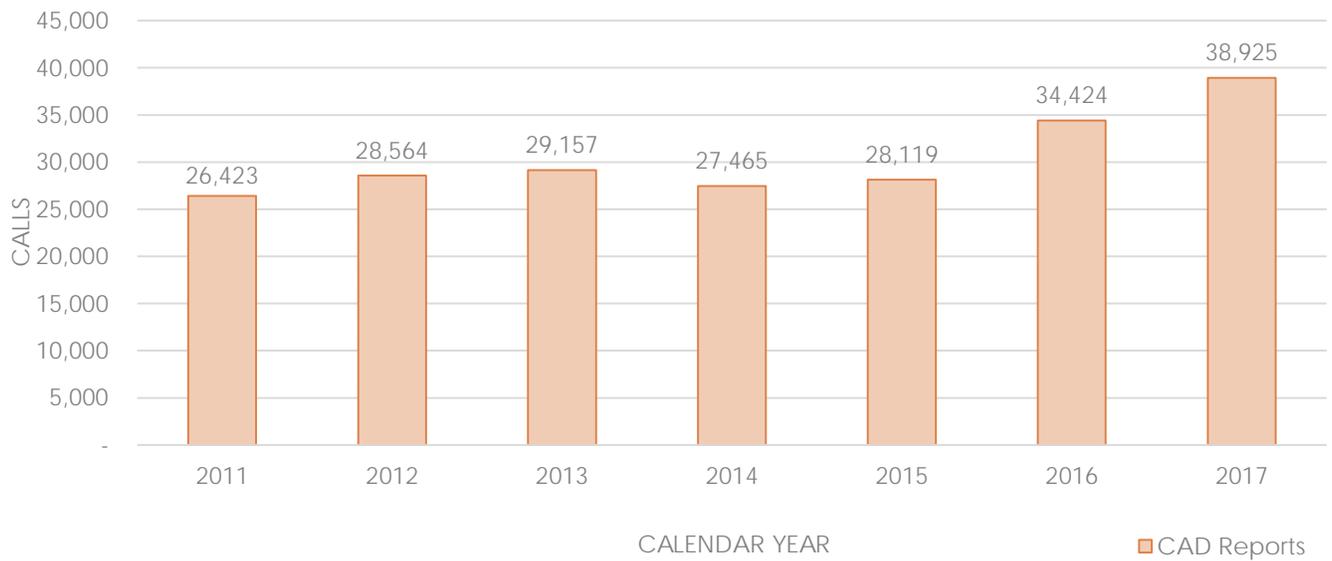
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Equipment		
Tower Project - Paulina	\$	\$ 30,000
700/800 Megahertz Trunk System		\$ 175,000
Capital Outlay Total	\$	\$ 205,000

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 85.

Performance Measures Telephone Calls to Dispatch Center Calls per Calendar Year



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	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 15-16	FY 16-17	Budget FY 17-18	FY 17-18	Budget FY 18-19	Budget FY 18-19	Budget FY 18-19
Beginning fund balance	\$ 327,197	\$ 339,206	\$ 312,273	\$ 371,559	\$ 334,359	\$ 334,359	\$ 334,359
Current year resources							
Intergovernmental	\$ 705,313	\$ 908,848	\$ 897,600	\$ 897,600	\$ 865,200	\$ 865,200	\$ 865,200
Interest	1,636	2,490	3,000	3,000	3,000	3,000	3,000
Miscellaneous	3,421	-	4,000	1,000	4,000	4,000	4,000
Transfers from other funds	533,700	521,400	583,000	583,000	770,000	770,000	770,000
Total current year resources	\$ 1,244,070	\$ 1,432,738	\$ 1,487,600	\$ 1,484,600	\$ 1,642,200	\$ 1,642,200	\$ 1,642,200
Total resources	\$ 1,571,267	\$ 1,771,944	\$ 1,799,873	\$ 1,856,159	\$ 1,976,559	\$ 1,976,559	\$ 1,976,559
Expenditures							
Personnel Services	\$ 838,986	\$ 832,223	\$ 1,017,500	\$ 966,300	\$ 1,101,800	\$ 1,101,800	\$ 1,101,800
Material & services	121,363	199,718	245,500	268,600	222,200	222,200	222,200
Capital outlay							
Buildings							
Equipment	88,712	199,544	125,000	130,000	205,000	205,000	205,000
Transfers	183,000	168,900	156,900	156,900	167,400	167,400	167,400
Contingency			254,973		\$ 280,159	\$ 280,159	\$ 280,159
Total expenditures	\$ 1,232,061	\$ 1,400,385	\$ 1,799,873	\$ 1,521,800	\$ 1,976,559	\$ 1,976,559	\$ 1,976,559
Ending fund balance	\$ 339,206	\$ 371,559	\$ -	\$ 334,359	\$ -	\$ -	\$ -

Personnel

Emergency Dispatch Fund FTEs by Position FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 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	2.00		
Communications Officer	7.32	6.98	9.50	9.50
Office Technician				
Evidence Officer	0.50	0.50	0.50	0.50
Janitor	0.25	0.25	0.25	0.25
Emergency Dispatch Fund Total	10.41	11.07	11.59	11.59

No changes to staffing levels in FY 19.

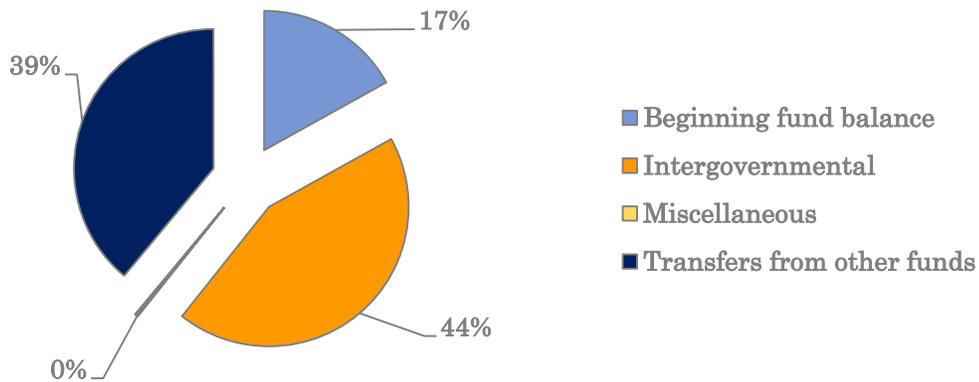


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Emergency Dispatch	\$371,559	\$334,359	-10%	\$280,159	\$271,245	3%

Fund balance from FY 18 to FY 19 has decreased approximately 10 percent. Estimates for the FY 19 budget show a 19 percent decrease in the ending fund balance. This fund meets the reserve policy criteria for the City.

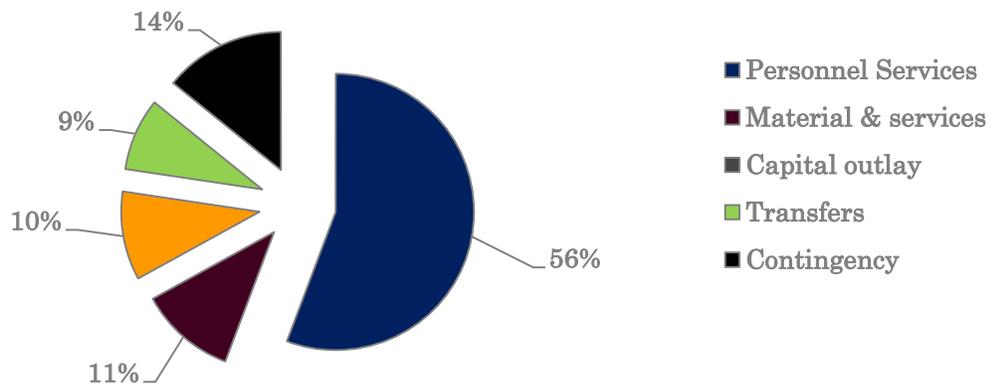
Resources



Assumptions

Receipts of 911 dollars are expected to decrease from the prior year approx. 40 percent projected at \$313,600. Fees for users are increasing in FY 19. The General Fund transfer totals \$770,000, a 32 percent increase.

Requirements



Assumptions

Overall requirements are up over prior year budget by approximately 10 percent, with personnel services increasing 8 percent, materials and services decreasing 10 percent, capital outlay increasing 64 percent, and transfers increasing 7 percent.



Planning Fund



Planning Fund Responsibilities to the Community

The primary objective of the Prineville Planning Department is to manage economic development and the sustainable growth of Prineville, while maintaining the small-town character and overall livability of the community. The Planning Department continues to achieve this by assisting existing and prospective businesses, developers, and residents through a consistent, 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 Facility Master Plans 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 19

Department Goals	City Council Goals
Implement initiatives created by the DSP and Air Quality Committees	Provide quality municipal services and programs which contribute to community desirability
Identify & evaluate potential property acquisition for economic development or natural resource and hazard protection	Strive to position the city to meet future demands of businesses and citizens
Complete Barnes Butte Master Plan & Ironhorse Outline Development Plan update	Provide quality municipal services and programs which contribute to community desirability
Coordinate trail system connections (specifically in Hudspeth drain)	Provide quality municipal services and programs which contribute to community desirability
Seek funding from DLCD to update the city comprehensive plan	To be fiscally responsible in all we do
Update urban growth management agreement with Crook County	Strive to position the city to meet future demands of businesses and citizens
Initiate plan to reduce floodplain impact	Strive to position the city to meet future demands of businesses and citizens
Develop annexation policy based on urban growth management agreement update	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 18

- Continued to work with Crook County, the Prineville-Crook County Airport and ODOT on the Tom McCall intersection improvement project.
- Approved facility plan updates for water, sewer and Airport.
- Developed and approved a 3rd Street redevelopment plan.
- Developed a procedures manual to aid in new employee training.
- Expanded the Urban Growth Boundary by 38 acres for continued development of data centers.
- Completed land use approvals for:
 - Data center buildings 5 & 6 of the Vitesse project of approximately 800,000 square feet;
 - A plan amendment and zone change for a 14 unit multi-family housing project on Peters Road;
 - The annexation of a 206 acre site into the city;
 - Three industrial building totaling 30,000 sq. ft. in the Baldwin Industrial Park;
 - A 30 unit manufactured home park at the end of Peters Road;
 - A 46 lot subdivision (Stone Ridge Terrace Phase II);
 - An additional 52 detached single family dwellings;
 - Street Vacation of Connect Way and Social Loop; and
 - Various other applications regarding changes of use, signs, additions and accessory buildings.
- Continued tracking of 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.
- Provided planning expertise and specific land use information to developers or businesses considering expansion of operations or looking at Prineville as a future location.
- 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.
- *“Strive to improve on transparency and effective communication”* – Participation in local, regional and state committees; collaboration and communication with partner agencies.
- *“Provide quality municipal services and programs, which contribute to community desirability”* – Provided planning expertise and specific land use information to developers or businesses considering expansion of operations or looking at Prineville as a future location, Provide research, mapping and other technical assistance to partner agencies, developers, local citizens and committees.
- *“Strive to position City to meet future demands of businesses and citizens”* – Approval of water sewer and Airport Facility plans, Development of the Downtown Strategic Plan Committee projects and actively worked to build relationships with partner agencies.
- *“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”* – Provided planning expertise and specific land use information to developers or businesses. Implement land use design and development that takes livability, sustainability and connectivity into account.

Strategic Planning Updates

- Short-term – Continue to maintain a high level of customer service by being available and responding to question quickly and accurately. Provide staff time and technical support for committees and public and private economic development initiatives.
- Long-term – Continue to maintain land use and facility plans that are up to date. Coordinate with partner agencies on plans, processes and issues that overlap jurisdictions.





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.

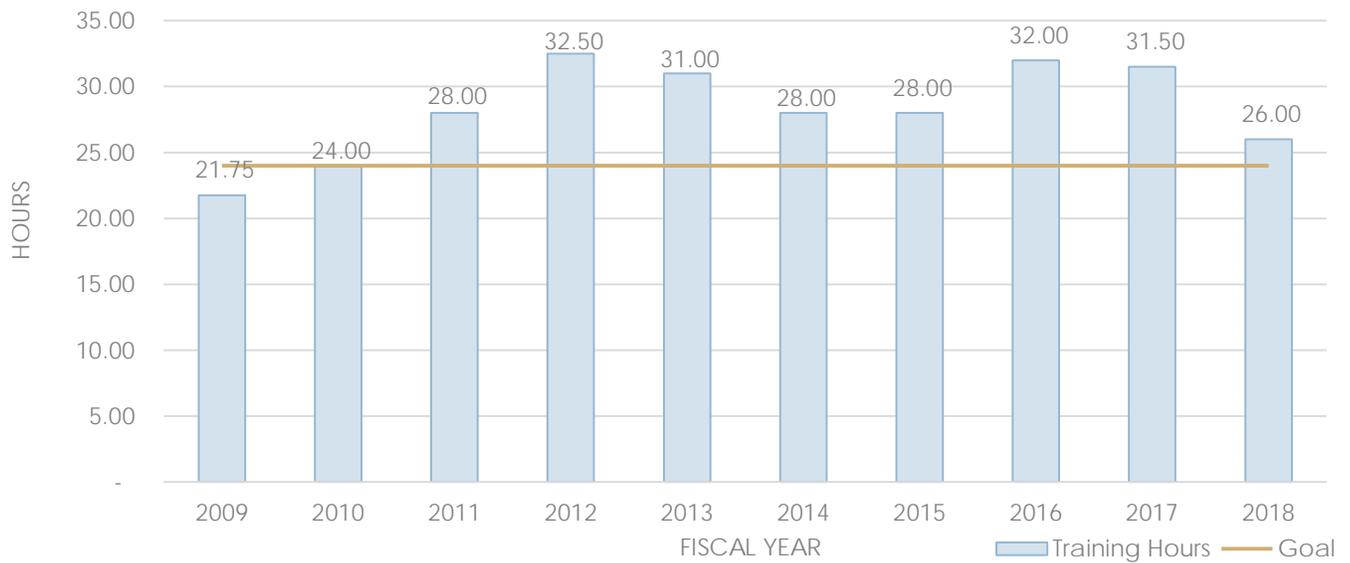
Average Hours Planning Counter Open Hours Open per Week



Typically, there are only two members of the staff available to provide service at the planning counter. As a result, it is not possible to keep the counter open during all business hours while balancing meetings, training, lunch breaks, vacations and sick leave. With the loss of staff last fiscal year, this fiscal year will be even more challenging. However, the department makes its best effort to keep the counter open as often as possible by staggering lunch breaks and being available by phone 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.

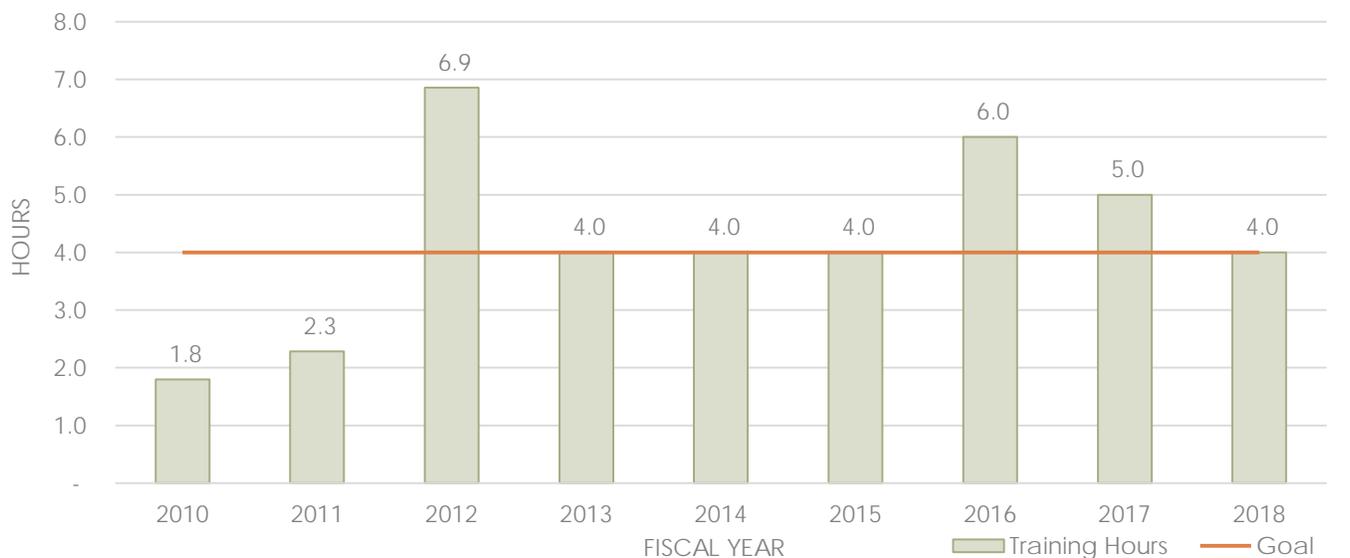


Average Training Hours per Staff Member Hours per Fiscal Year



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. There are various opportunities through state and nationwide conferences, the American Planning Association (APA) and agency specific training such as the Federal Emergency Management Agency (FEMA). 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 through workshops at their regular scheduled meetings.



Planning Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 78,380	\$ 78,021	\$ 95,121	\$ 121,280	\$ 221,980	\$ 221,980	\$ 221,980
Current year resources							
Licenses and permits	\$ 47,414	\$ 57,324	\$ 50,000	\$ 45,300	\$ 45,000	\$ 45,000	\$ 45,000
Interest	467	793	600	1,500	1,500	1,500	1,500
Intergovernmental	9,859	15,225	5,300	5,300	5,100	5,100	5,100
Charges for services	-	7,339	25,900	206,400	22,000	22,000	22,000
Transfers from other funds	303,970	337,803	320,000	220,000	130,000	130,000	130,000
Total current year resources	\$ 361,710	\$ 418,484	\$ 401,800	\$ 478,500	\$ 203,600	\$ 203,600	\$ 203,600
Total resources	\$ 440,090	\$ 496,505	\$ 496,921	\$ 599,780	\$ 425,580	\$ 425,580	\$ 425,580
Expenditures							
Personnel Services	\$ 226,982	\$ 238,712	\$ 250,600	\$ 238,100	\$ 233,500	\$ 233,500	\$ 233,500
Material & services	22,087	18,013	27,800	18,900	26,200	26,200	26,200
Capital outlay				-			
Transfers	113,000	118,500	120,800	120,800	114,700	114,700	114,700
Contingency			97,721		51,180	51,180	51,180
Total expenditures	\$ 362,069	\$ 375,225	\$ 496,921	\$ 377,800	\$ 425,580	\$ 425,580	\$ 425,580
Ending fund balance	\$ 78,021	\$ 121,280	\$ -	\$ 221,980	\$ -	\$ -	\$ -

Personnel

Planning Fund FTEs by Position FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Forecast
Planning Director	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	
Associate Planner				1.00
Planning Fund Total	2.00	2.00	2.00	2.00

Senior Planner promoted to Planning Director at the end of FY 18 and Associate Planner hired for FY 19.

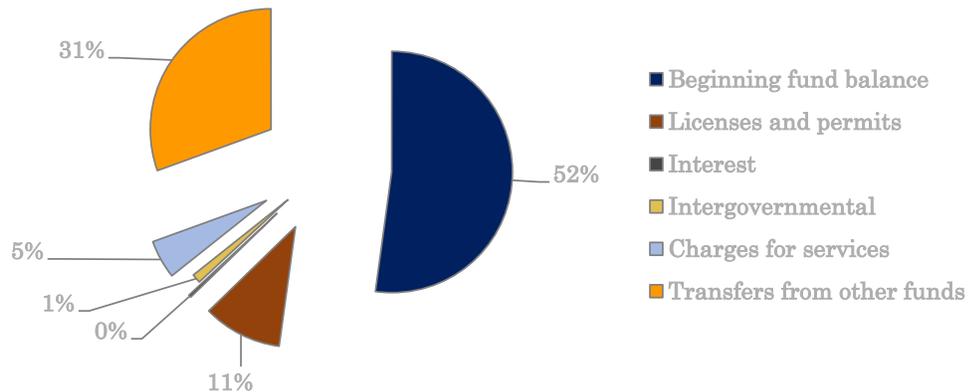


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Planning	\$121,280	\$221,980	83%	\$51,180	\$46,800	9%

The Planning Department continues to maintain fund balance within the City's policy requirements. Planning activity is supported from fees and a transfer from the General Fund.

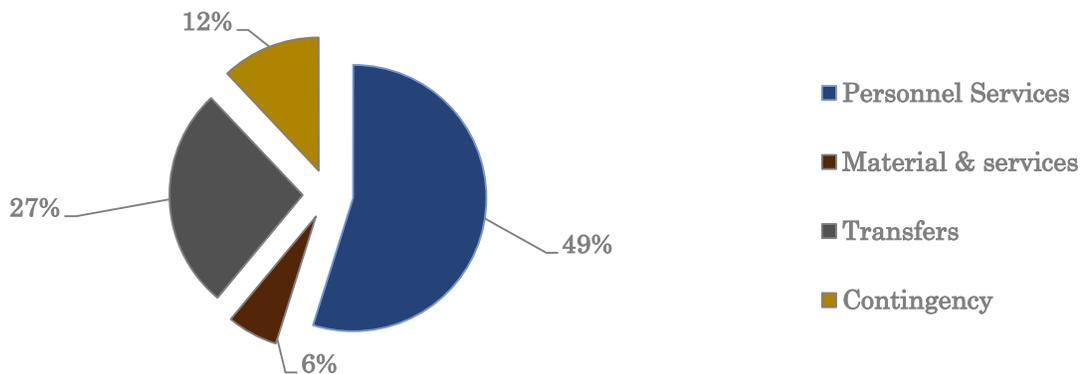
Resources



Assumptions

Revenue from charges for service shows a significant decrease over prior year collection as FY18 included 2 percent administrative fee from SDC collection from data center build out, along with residential and commercial projects continuing to show a promising recovery. In FY 19 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 \$130,000, and a \$5,100 DEQ grant for air quality is expected.

Requirements



Assumptions

The Planning Department personnel services decreased approximately 7 percent over prior year due to a change in staffing, materials and services decreased approximately 6 percent, and transfers decreased 5 percent.



CROOK
COUNTY
HIGH SCHOOL

*Debt Service
Funds*

*LTD Debt Service Fund
PERS | POB Fund*

Adopted Fiscal Year 2018-2019 Budget





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LID Debt Services Fund



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

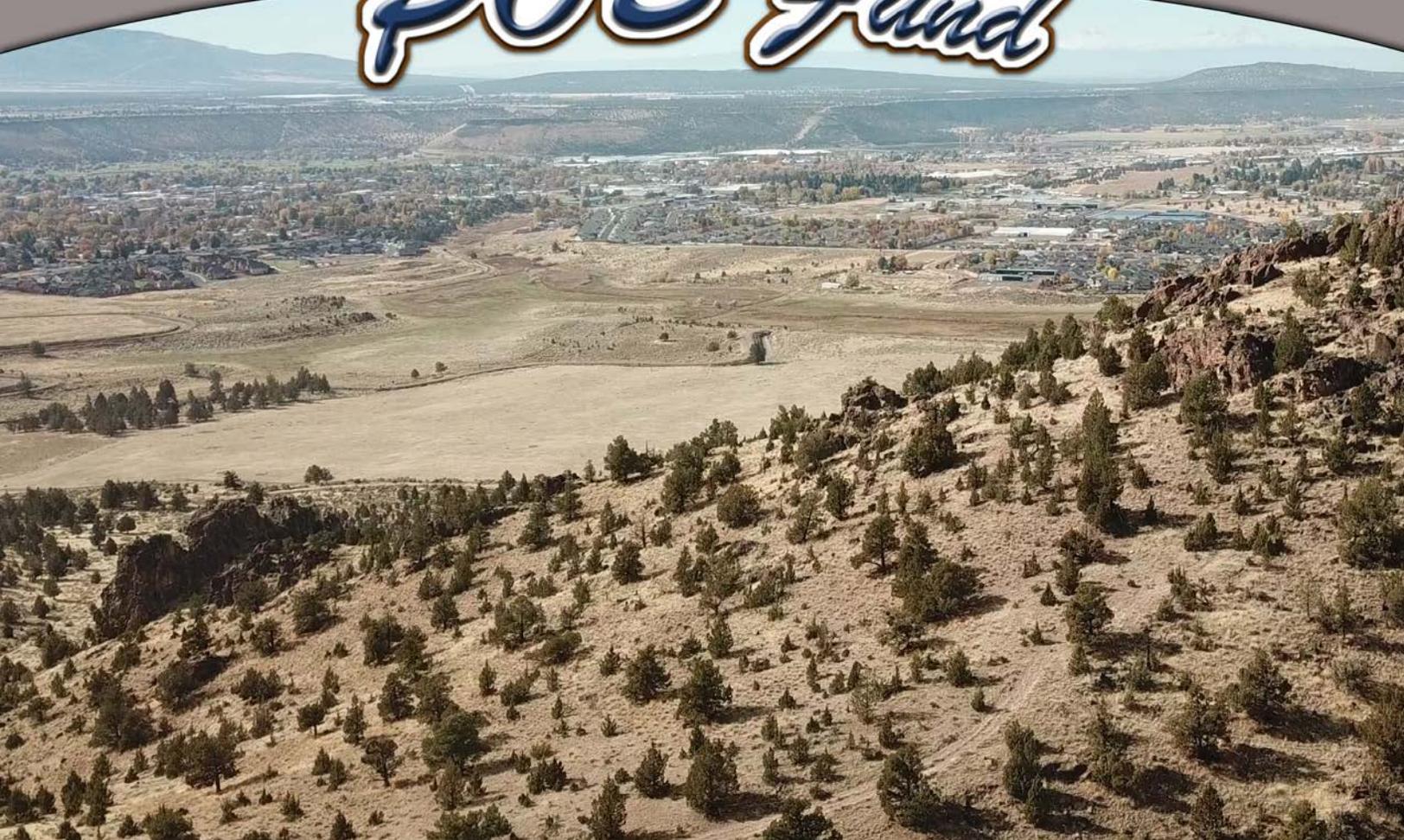
The LID Debt Service Fund will be closed out with a resolution to transfer dollars to the General Fund at year-end FY 18. Ironhorse was the last assessment in the fund. The City purchased the Ironhorse property in FY 17 for water rights, transportation opportunities, public recreation and green space. 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 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 88,675	\$ 101,665	\$ 72,185	\$ 72,485			
Current year resources							
Intergovernmental							
Interest	467	2,375		-			
Assessment repayments	162,437	1,269,851		-			
Transfers	-	-	-	-	-		
Total current year resources	\$ 162,904	\$ 1,272,226	\$ -	\$ -	\$ -		
Total resources	\$ 251,579	\$ 1,373,891	\$ 72,185	\$ 72,485	\$ -	\$ -	\$ -
Expenditures							
Materials and services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service							
Principal							
10th St/Madras Hwy LID - 2003	-	-	-	-			
Northridge LID - 2003	-	-		-			
Ironhorse LID - 2006	79,187	1,164,016		-			
Interest							
10th Street/Madras Hwy LID - 2003	-	-		-			
Northridge LID - 2003	-	-		-			
Ironhorse LID - 2006	70,727	62,315		-			
Transfers		75,075	72,185	72,485			
Contingency			-		-	-	-
Total expenditures	\$ 149,914	\$ 1,301,406	\$ 72,185	\$ 72,485	\$ -	\$ -	\$ -
Ending fund balance	\$ 101,665	\$ 72,485	\$ -	\$ -	\$ -	\$ -	\$ -



PERS / POB Fund



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, July 1, 2019, and so on until the rate is sufficient to pay the full cost of PERS.

Incremental increases to the PERS rate are less than otherwise expected due to rate collars smoothing out significant increases. However, as a result of the rate collars, the City’s contributions to PERS are not sufficient to stabilize the amount of the unfunded accrued liability (UAL). The City fully funded 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. The actuarial valuation report for the City of Prineville as of December 2016 had an 83 percent funded ratio, this actuarial value included the value of the employers side account.

The total of the city’s UAL as of December 31, 2016 was \$3.8 million, this number reflects the side account of approx. \$3.1 million and rate of return on investments through December of 2016 of approximately 7 percent. As previously noted, PERS rate collars do not allow the City to pay the full rate, thereby deferring payments for the UAL to the future and likely requiring a greater UAL rate in the process. The estimated rate on subject payroll sufficient to repay debt service on the POB’s is approximately 7 percent. Rates of return on investments through December of 2017 came in at approx. 15 percent but will not affect payroll rates until 2019-21 biennium at the earliest if not later.

In FY 18, the City’s PERS rate decreased approximately 6 percent for the biennium. The proposed city budget will continue to pay the FY 15 rate with the additional 6 percent going into the POB fund along with the 7 percent surcharge for debt service for the next biennial period, also an additional transfer from the General Fund of \$100,000 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. The next rate adjustment will be July 1, 2019 through June 30, 2021.

The City is currently 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 \$1,345,138.

Policy Analysis Pension Obligation Requirements by Fund FY 19

Fund	Budgeted Reserve Amount	Operating Expenditures Including Debt By Fund	Fifteen % Appropriation Reserve Amount	Budgeted Reserves Over(Under)
General	1,570,940	3,573,200	535,980	1,034,960
Admin/Financial Support Services	346,855	2,131,400	319,710	27,145
Public Works Support Services	250,275	1,660,100	249,015	1,260
Building Facilities Fund	319,658	597,600	78,390	241,268
Plaza Maintenance	42,605	14,000	2,100	40,505
Total	2,530,333	7,976,300	1,185,195	1,345,138



PERS/POB Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 64,142	\$ 252,680	\$ 556,480	\$ 556,703	\$ 864,003	\$ 864,003	\$ 864,003
Current year resources							
Interest	\$ 1,281	\$ 4,202	\$ 2,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Charge for pension costs	289,900	557,954	568,900	568,900	602,600	602,600	602,600
Miscellaneous revenue	145,924	-	-	-	-	-	-
Debt Proceeds	-	-	-	2,550,700	-	-	-
Total current year resources	\$ 437,105	\$ 562,156	\$ 571,400	\$ 3,129,600	\$ 612,600	\$ 612,600	\$ 612,600
Total resources	\$ 501,247	\$ 814,836	\$ 1,127,880	\$ 3,686,303	\$ 1,476,603	\$ 1,476,603	\$ 1,476,603
Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 300,000
Materials & Services	-	-	-	28,300	2,000	2,000	2,000
Debt service							
Principal							
Principal - POB 2014	\$ 110,000	\$ 125,000	\$ 145,000	\$ 2,667,000	\$ 182,100	\$ 182,100	\$ 182,100
Interest							
Interest - POB 2014	138,567	133,133	127,000	127,000	94,100	94,100	94,100
Contingency	-	-	855,880	-	898,403	898,403	898,403
Total expenditures	\$ 248,567	\$ 258,133	\$ 1,127,880	\$ 2,822,300	\$ 1,476,603	\$ 1,476,603	\$ 1,476,603
Ending fund balance	\$ 252,680	\$ 556,703		\$ 864,003	\$ -	\$ -	\$ -

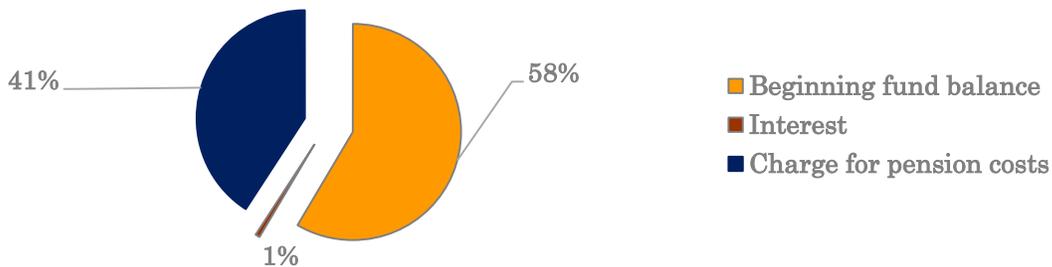


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency
PERS/POB	\$556,703	\$864,003	55%	\$898,403

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 18-19, a budgeted transfer of \$100,000 from general fund in FY 18 and 19 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.

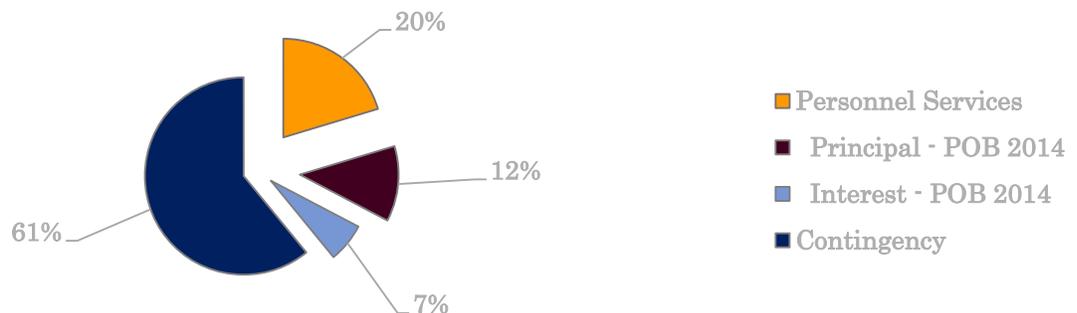
Resources



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 19. 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 19 PERS contributions decreased approximately 6 percent for the next biennial 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. This year the City budgeted \$300,000 for payment to a side account with PERS and plan to take advantage of the 25 percent match offered by the state.

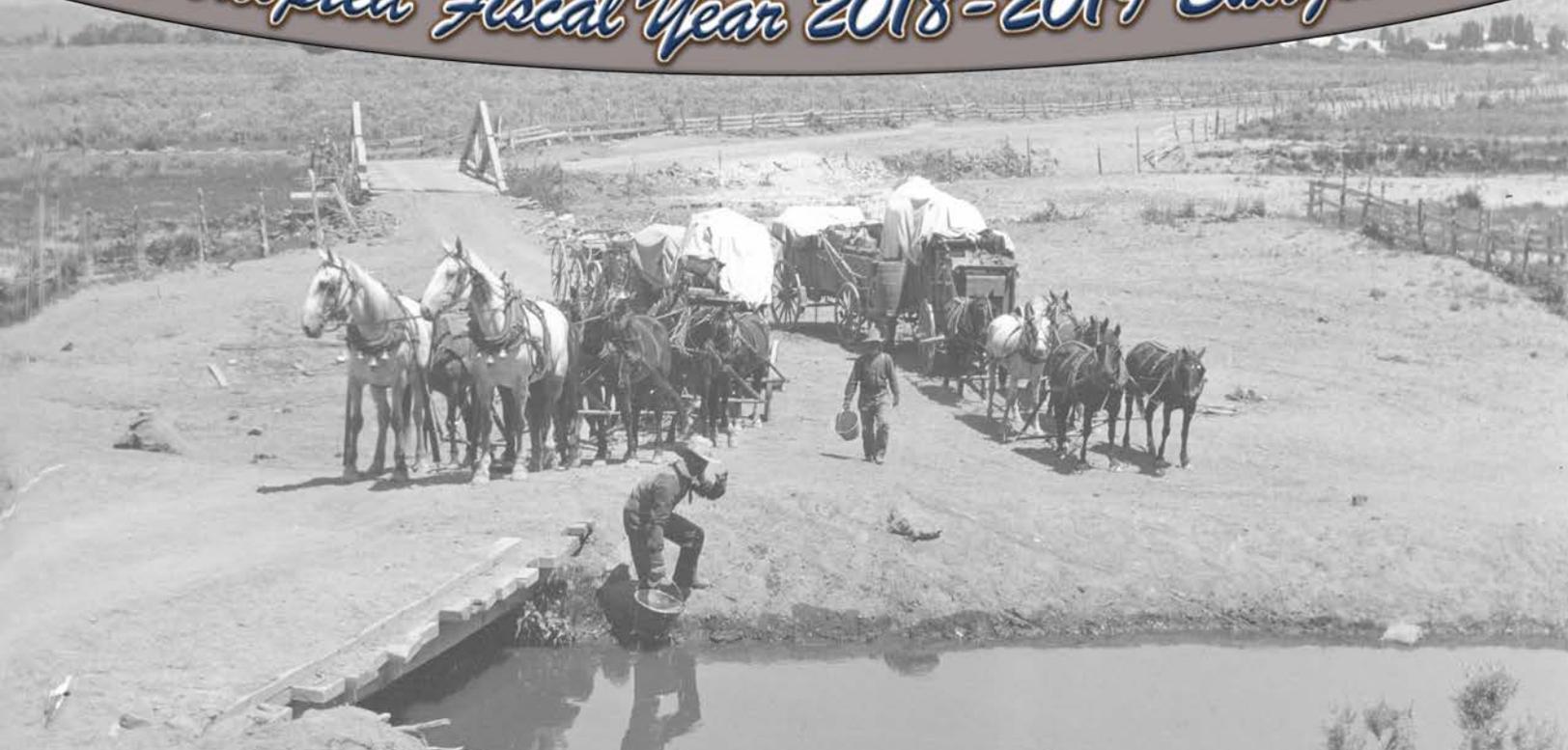




Capital Projects Funds

Transportation SDC Fund
Water SDC Fund
Wastewater SDC Fund

Adopted Fiscal Year 2018-2019 Budget





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Transportation SDC Fund



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 19

Department Goals	City Council Goals
Develop a feature for the soon to be completed Tom McCall Roundabout	Provide quality municipal services and programs which contribute to community desirability
Begin design of the new Elm Street Bridge	Strive to position the City to meet future demands of businesses and citizens
Begin construction of the “Rails to Trails” project	Strive to position the City to meet future demands of businesses and citizens
Develop master plan for Barnes Butte Complex	Provide quality municipal services and programs which contribute to community desirability

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 an 8.38 percent increase for FY 19, 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 18

- The City of Prineville received a grant for \$4 million from the State HB 2017. These dollars will go towards the completion of the Tom McCall roundabout scheduled for construction in 2018 and pedestrian safety improvements.
 - The City is in active negotiation with the Oregon Department of Transportation (ODOT) to develop a downtown enhancement project by matching the City’s HB 2017 funds with ODOT funds to enhance the downtown core.

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		
Tom McCall Roundabout Feature	\$ 100,000	\$ 100,000
Barnes Butte Complex Master Plan	\$ 50,000	\$ 50,000
Rails to Trails Match	\$ 41,000	\$ 41,000
Elm Street Bridge Match	\$ 100,000	\$ 100,000
Capital Outlay Total	\$ 291,000	\$ 291,000

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 85.



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



Transportation SDC Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 236,294	\$ 496,754	\$ 556,954	\$ 518,810	\$ 944,310	\$ 944,310	\$ 944,310
Current year resources							
Intergovernmental	\$ -	\$ -	\$ -	\$ -			
Interest	1,772	4,235	4,000	8,000	9,000	9,000	9,000
System development charges	486,025	334,548	355,000	529,000	250,000	250,000	250,000
Transfers			-		-	-	-
Total current year resources	\$ 487,797	\$ 338,783	\$ 359,000	\$ 537,000	\$ 259,000	\$ 259,000	\$ 259,000
Total resources	\$ 724,091	\$ 835,537	\$ 915,954	\$ 1,055,810	\$ 1,203,310	\$ 1,203,310	\$ 1,203,310
Expenditures							
Material & services	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Capital outlay							
Improvements	208,038	300,000	-	75,000	291,000	291,000	291,000
Debt service - interest note payable							
Transfers	19,299	16,727	17,800	26,500	12,500	12,500	12,500
Contingency			888,154		889,810	889,810	889,810
Total expenditures	\$ 227,337	\$ 316,727	\$ 915,954	\$ 111,500	\$ 1,203,310	\$ 1,203,310	\$ 1,203,310
Ending fund balance	\$ 496,754	\$ 518,810	\$ -	\$ 944,310	\$ -	\$ -	\$ -



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

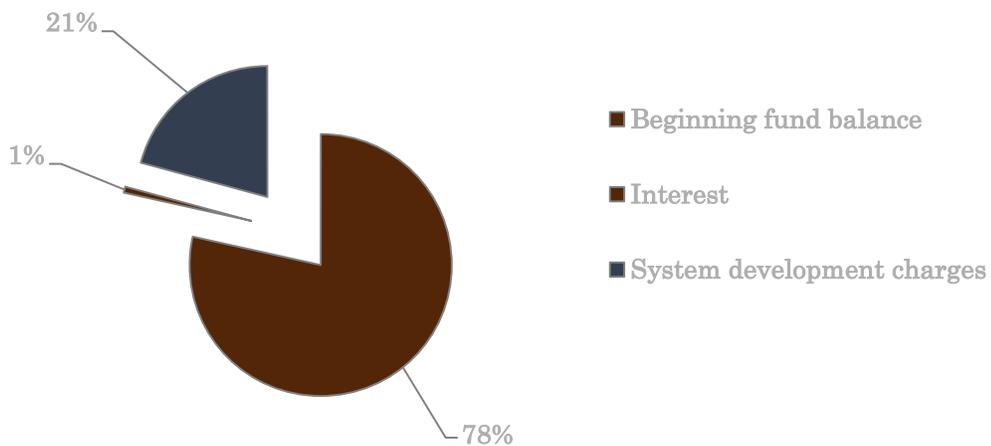


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency
Transportation SDC	\$518,810	\$944,310	82%	\$889,810

Beginning fund balance increased 82 percent from FY 18 to FY 19 largely due to the system development fees paid in FY 18 totaling approximately \$529,000. The proposed ending fund balance of \$889,810 is an estimate based on revenue of 25 residential equivalent dwelling units (EDU) and anticipated commercial fees in FY 19.

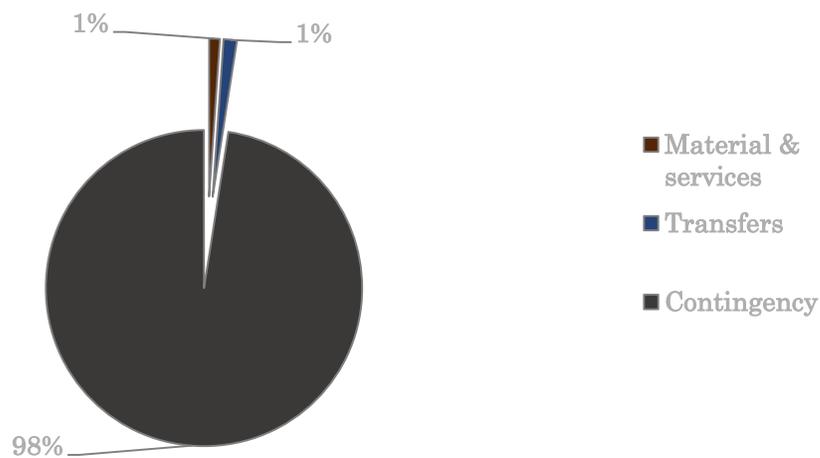
Resources



Assumptions

Revenue assumptions are based on receiving the estimated 25 residential EDUs along with estimated commercial fees.

Requirements

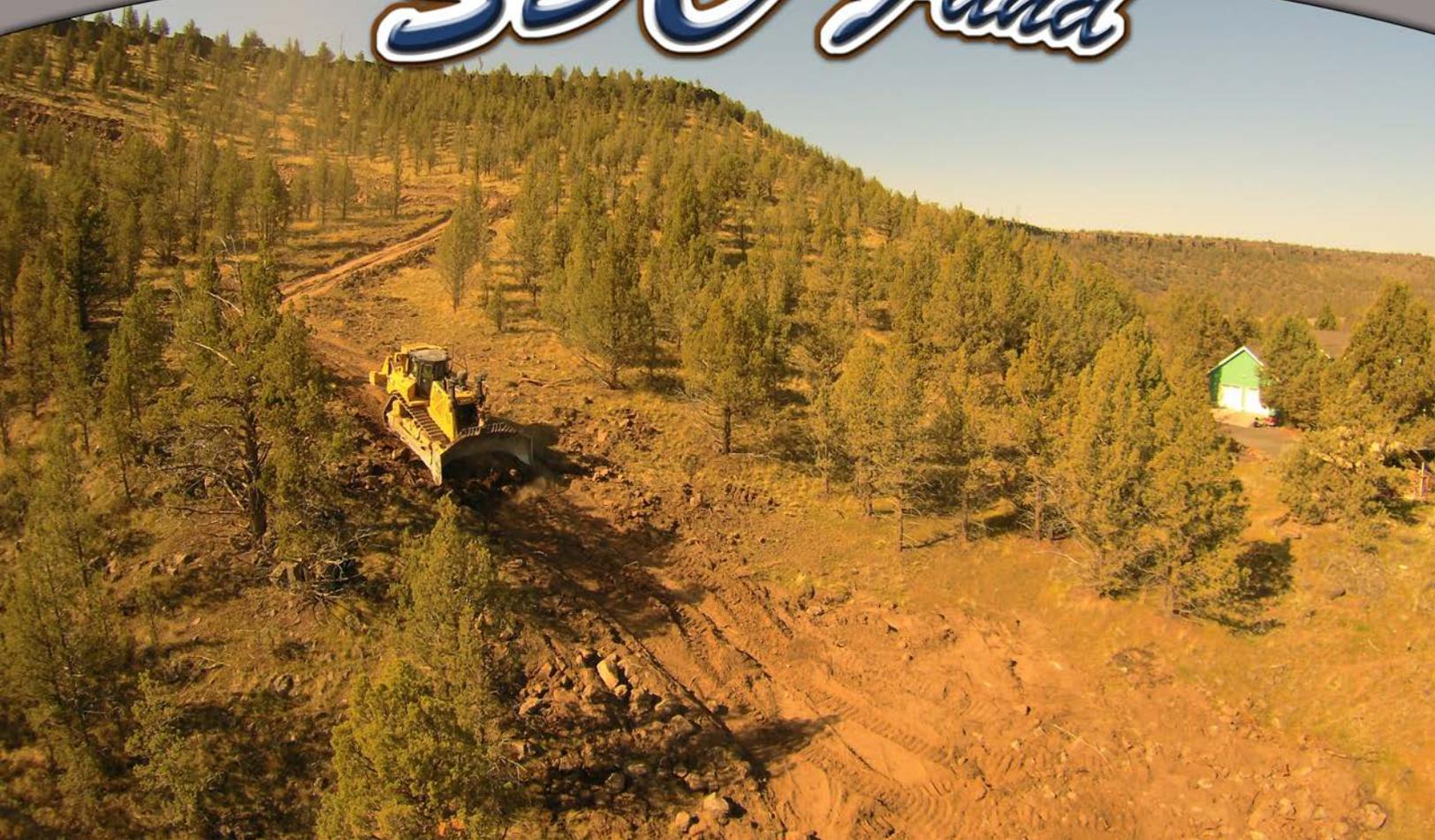


Assumptions

The 5 percent administrative fee for the collection of estimated SDC fees totals 1 percent of the budget, of which \$291,000 is budgeted for improvements with \$889,810 remaining as contingency.



Water SDC Fund



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 19

Department Goals	City Council Goals
Continue to 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
Install additional water transmission lines to connect the valley and airport water pressure zones	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 percent increase for FY 18. The water SDC methodology is currently being updated and will be adjusted in FY 19.

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



Construction progress of the Airport Water Tank #2.



Accomplishments for FY 18

- Developed a feasibility study related to the potential for aquifer storage and recovery near the airport industrial area.
- Completed an update of the Water Master Plan.
- The design of the Airport Industrial Park Utility Expansion project was complete in FY 18. This project, currently under construction, will include the installation of four lines to serve the airport industrial area. These lines include:
 - A 16-inch water transmission line with booster pump station.
 - This line will connect the valley and airport pressure zones and may be used for a future Aquifer Storage and Recovery Project.
 - A 12-inch wastewater reuse transmission line.
 - This line will be used in the event that current and future industries desire to utilize the City’s treated wastewater for industrial applications.
 - An 18- to 21-inch wastewater line.
 - This line will operate in parallel to the existing 8-inch wastewater line that serves the Airport industrial area. This line will be installed at a depth of up to 32 feet to support existing and future industrial customers.
 - A 12-inch brine line.
 - This line will be installed to treat high total dissolved solids (TDS) industrial water in the future.

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.

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Airport Industrial Park Utility Extension	\$ 2,033,700	\$ 2,033,700
Capital Outlay Total	\$ 2,033,700	\$ 2,033,700

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 85.



Drilling for the ASR project in October 2017.



Water SDC Budget

Resources	Actual FY 14-15	Actual FY 14-15	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 117,092	\$ 70,107	\$ 86,207	\$ 47,491	\$ 2,172,191	\$ 2,172,191	\$ 2,172,191
Current year resources							
Intergovernmental	\$ -	\$ -	\$ -	\$ -			
Charges for Services	-	-	-	833,700	-	-	-
Interest	622	1,176	700	20,000	10,000	10,000	10,000
System development charges	198,555	152,731	2,889,600	2,940,000	142,000	142,000	142,000
Total current year resources	\$ 199,177	\$ 153,907	\$ 2,890,300	\$ 3,793,700	\$ 152,000	\$ 152,000	\$ 152,000
Total resources	\$ 316,269	\$ 224,014	\$ 2,976,507	\$ 3,841,191	\$ 2,324,191	\$ 2,324,191	\$ 2,324,191
Expenditures							
Material & services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay							
Improvements	-	-	2,110,000	1,110,000	2,033,700	2,033,700	2,033,700
Transfers	246,162	176,523	556,500	559,000	131,200	131,200	131,200
Contingency			310,007		159,291	159,291	159,291
Total expenditures	\$ 246,162	\$ 176,523	\$ 2,976,507	\$ 1,669,000	\$ 2,324,191	\$ 2,324,191	\$ 2,324,191
Ending fund balance	\$ 70,107	\$ 47,491	\$ -	\$ 2,172,191	\$ -	\$ -	\$ -

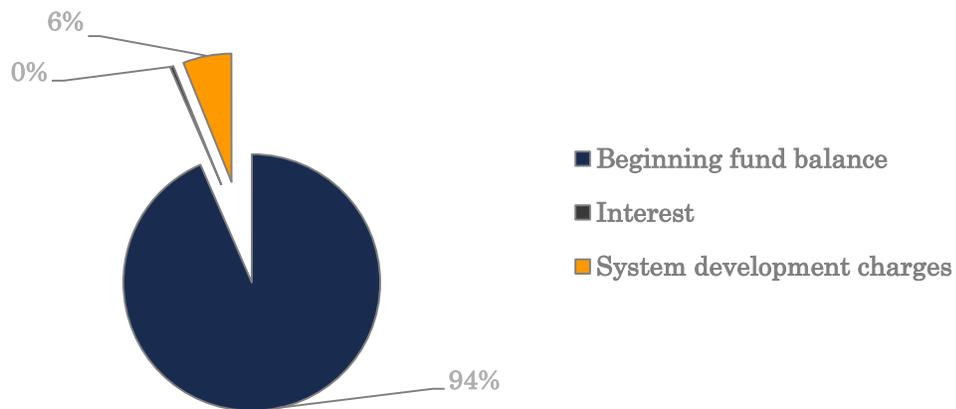


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency
Water SDC	\$47,491	\$2,172,191	4474%	\$159,291

The beginning fund balance FY 18 to beginning fund balance FY 19 increased approximately 4474 percent – due to the expansion of data centers. In FY 19, the proposed ending fund balance of approximately \$159,291 is based on a revenue estimate of 25 EDUs and the transfer for debt service to the Water Fund. Budgeted water improvements are \$2,033,700 for the Airport Industrial Park Utility Expansion project.

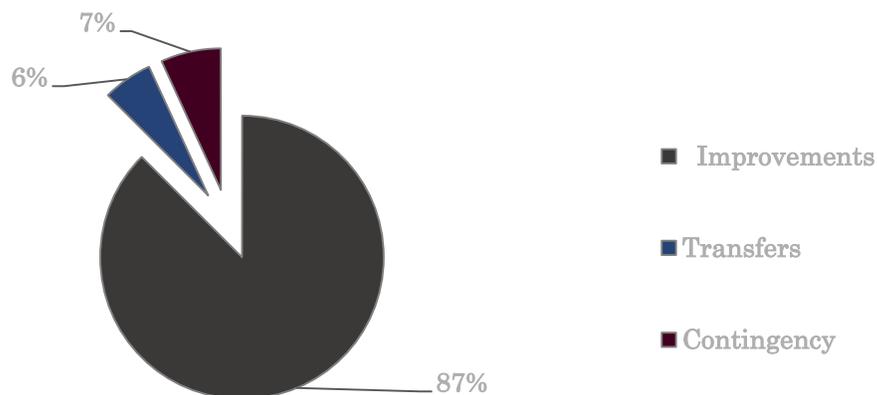
Resources



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 Airport Industrial Park Utility Expansion project.



Wastewater SDC Fund



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 19

Department Goals	City Council Goals
Install additional wastewater transmission lines to connect the Airport Industrial Area to the Wastewater Treatment Plant	Provide quality municipal services and programs which contribute to community desirability

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 percent increase for FY 18. The wastewater SDC methodology is currently being updated and will be adjusted in FY 19.

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



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



Accomplishments for FY 18

- Completed an update of the Wastewater Master Plan.
- The design of the Airport Industrial Park Utility Expansion project was complete in FY 18. This project, currently under construction, will include the installation of four lines to serve the airport industrial area. These lines include:
 - A 16-inch water transmission line with booster pump station.
 - This line will connect the valley and airport pressure zones and may be used for a future Aquifer Storage and Recovery project.
 - A 12-inch wastewater reuse transmission line.
 - This line will be used in the event that current and future industries desire to utilize the City's treated wastewater for industrial applications.
 - An 18- to 21-inch wastewater line.
 - This line will operate in parallel to the existing 8-inch wastewater line that serves the Airport industrial area. This line will be installed at a depth of up to 32 feet deep to support existing and future industrial customers.
 - A 12-inch brine line.
 - This line will be installed to treat high TDS industrial water in the future.

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.



Barnes Butte Elementary first graders helping plant milkweed out at the newly constructed Crooked River Wetlands Complex in October 2017.



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Airport Industrial Park Utility Extension	\$ 2,661,900	\$ 2,661,900
Capital Outlay Total	\$ 2,661,900	\$ 2,661,900

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 85.

Wastewater SDC Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 109,607	\$ 365,822	\$ 226,322	\$ 60,804	\$ 2,699,804	\$ 2,699,804	\$ 2,699,804
Current year resources							
Charges for service				\$ 833,700			
Intergovernmental	\$ 569,403	\$ 2,205,961	\$ 467,800	\$ 48,000	\$ -	\$ -	\$ -
Interest	1,394	2,070	2,500	24,000	20,000	20,000	20,000
Misc revenue	-	1,999	-	-			
System development charges	159,077	165,018	5,082,500	5,144,100	212,000	212,000	212,000
Debt proceeds	2,490,800	2,204,578	100,000	38,400	-	-	-
Total current year resources	\$ 3,220,674	\$ 4,579,626	\$ 5,652,800	\$ 6,088,200	\$ 232,000	\$ 232,000	\$ 232,000
Total resources	\$ 3,330,281	\$ 4,945,448	\$ 5,879,122	\$ 6,149,004	\$ 2,931,804	\$ 2,931,804	\$ 2,931,804
Expenditures							
Material & services	\$ 106,987	\$ 425	\$ 10,000	\$ 24,000	\$ 10,000	\$ 10,000	\$ 10,000
Capital outlay							
Improvements	2,818,272	4,827,919	2,717,800	1,102,600	2,661,900	2,661,900	2,661,900
Transfers	39,200	56,300	2,390,200	2,322,600	69,400	69,400	69,400
Contingency			761,122		190,504	190,504	190,504
Total expenditures	\$ 2,964,459	\$ 4,884,644	\$ 5,879,122	\$ 3,449,200	\$ 2,931,804	\$ 2,931,804	\$ 2,931,804
Ending fund balance	\$ 365,822	\$ 60,804	\$ -	\$ 2,699,804	\$ -	\$ -	\$ -

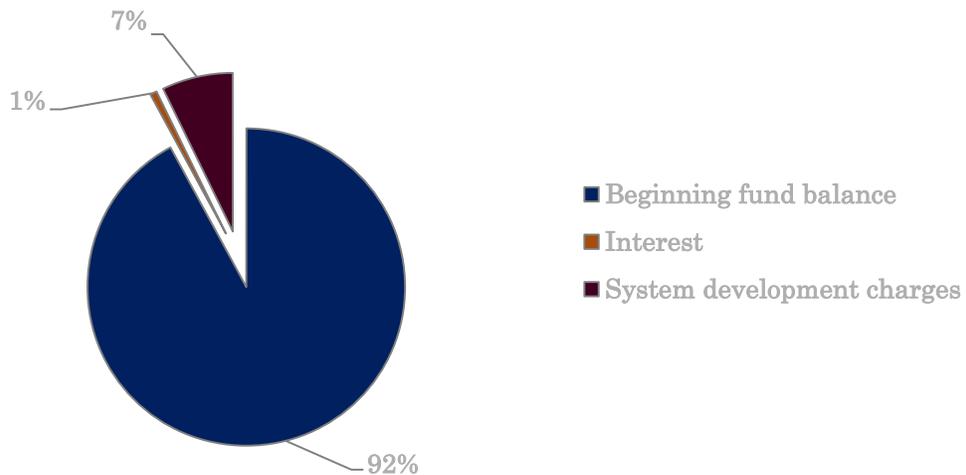


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency
Wastewater SDC	\$60,804	\$2,699,804	4340%	\$190,504

The 4340 percent increase from beginning fund balance FY 18 to the beginning fund balance FY 19 is a result of data center expansion. In FY 19, ending fund balance \$190,504 is based on an estimate of 25 EDUs and other commercial fees. The budgeted Airport Industrial Park Utility Expansion project for \$2.7 million will significantly reduce fund balance.

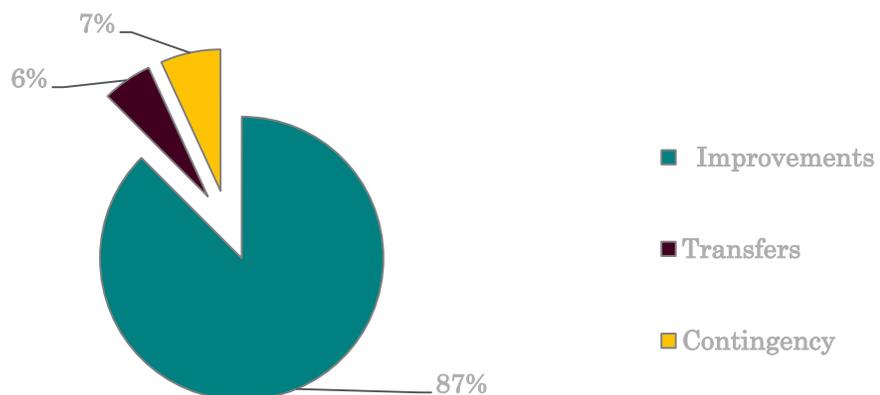
Resources



Assumptions

Fund balance is 92 percent of budgeted resources for FY 19 as a result of SDCs paid by data centers for expansion in FY 18. System development fees for FY 19 are based on the projection of 25 EDUs and estimated commercial fees.

Requirements



Assumptions

A total of 87 percent of the FY 19 budget expenditures will go to improvements for the Airport Industrial Park Utility Expansion project. The 5 percent administrative fee for the collection of estimated SDC fees shows as a transfer and totals 6 percent of the budget. Proposed ending fund balance of \$190,504.



CROOK COUNTY HISTORY CENTER

238

City of Prineville

Adopted Fiscal Year 2018-2019 Budget

McClain's MAID-RITE SHOP

FOUNTAIN

DOUBLE FEATURE TONIGHT

DOUBLE TONIGHT

TWENTY THOUSAND MEN A YEAR PLUS EVERYTHINGS ON ICE



Enterprise Funds

Railroad | Freight Depot Fund

Airport Fund

Water Fund

Wastewater Fund

Golf Course Fund

Adopted Fiscal Year 2018-2019 Budget





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Railroad! Freight Depot Fund



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 19

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 local and regional industries to make rail an integral part of their transportation plans	Strive to position the 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 the 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 50 customers utilizing the city assets and created over 100 direct jobs in the process. The City’s goal is to increase carloads and revenue opportunities for the City of Prineville Railway, and at the same time, cut operational expenses by becoming more streamlined and operationally sustainable.

Adding McCall Oil and Chemical to the railway customer portfolio, the City of Prineville Railway will haul Bitumen starting in early spring 2018. The addition of loaded Bitumen railcars will fill a typical down turn in haulage during the spring and early summer. With McCall’s bitumen, the railway achieved a broadening commodity base that includes Canadian lumber, OSB, house siding, domestic lumber, Bitumen, Mexico building block, tires, propane, fatty acid, asphalt additives, golf course sand, solvents, tire ballast and magnesium chloride.

Rising personnel costs along with increasing regulations and training requirements has continued to prevent the railway from fully reaching a full staffing level of 4 Full Time employees. Management will pay close attention to staffing requirements in fiscal year 2019 and in to the future.

The City of Prineville Railway will continue an aggressive track maintenance plan with \$250,000 budgeted in Capital projects and Maintenance-of-way, this helps preserve the city-owned asset at a Class II level in order ensure infrastructure longevity.





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

Accomplishments for FY 18

- No human factor accidents
- Attracted a business with city-owned assets that helped diversified the railway business portfolio by shipping a new commodity on the COPR.
- Increased spending on smaller deferred maintenance projects to help prevent large capital projects in the future.
- Shifted and re-assigned staff to help defer outside contractor cost and be more efficient.
- Continued to increase customer base over the prior year
- COPR staff did a combined 296 hours of training. This was triple compared to past years.
- After 10 years the railroad had the opportunity to no further action the round house environmental cleanup.



The City of Prineville Railway donated one of its cars to the Bowman Museum The move took place on November 6, 2017.



Strategic Planning Updates

- Short-term – Staff priorities will focus on new funding sources, as well as sustainable spending for track maintenance with a goal of 25 percent of revenue spent on track preservation. Finishing a track performance plan indicates a minimum of 2,000 cross ties per year is needed to maintain the current track condition. Short term, staff will focus on grant exploration to help fill in the financial gaps for 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 of equipment, track, bridges and facilities along with rising personnel costs will continue to be a focus for future preservation.



City of Prineville Railway rail car on display at the Bowman Museum.

source to offset the City’s operational costs and create additional family wage jobs. Staff will explore all opportunities for railroad operations to continue profitability and efficient operation. Capital of equipment, track, bridges and facilities along with rising personnel costs will continue to be a focus for future preservation.

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Rolling Stock		
Locomotive rebuild\upgrade Electro-Motive Diesel GP units	\$ 40,000	\$ 40,000
Pickup	\$ 35,000	\$ 35,000
Signals / Crossings		
O'Neil signal	\$ 21,000	\$ 21,000
Bridges		
Mile post 13.8 (Madras Highway Overpass)	\$ 10,000	\$ 10,000
Mile post 12.1(McKay Creek Bridge)	\$ 25,000	\$ 25,000
Track		
Mile post 0.01 - 33rd	\$ 50,000	\$ 50,000
Mile post 3.3 – Lone Pine Crossing	\$ 50,000	\$ 50,000
Capital Outlay Total	\$ 231,000	\$ 231,000

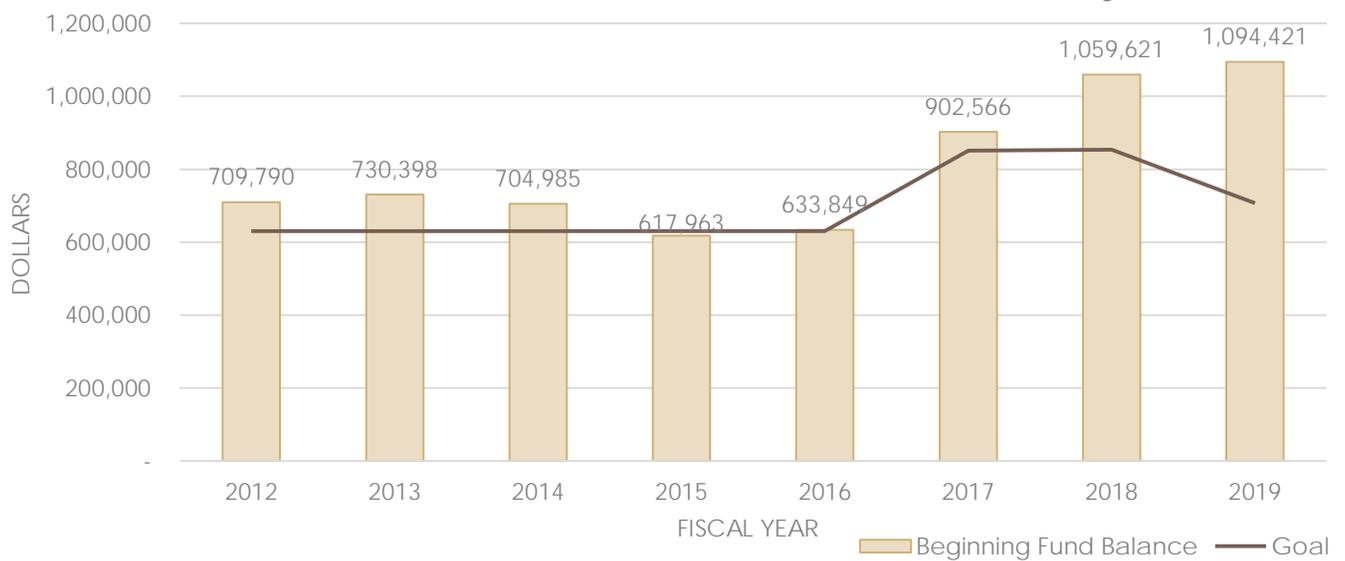
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 85.



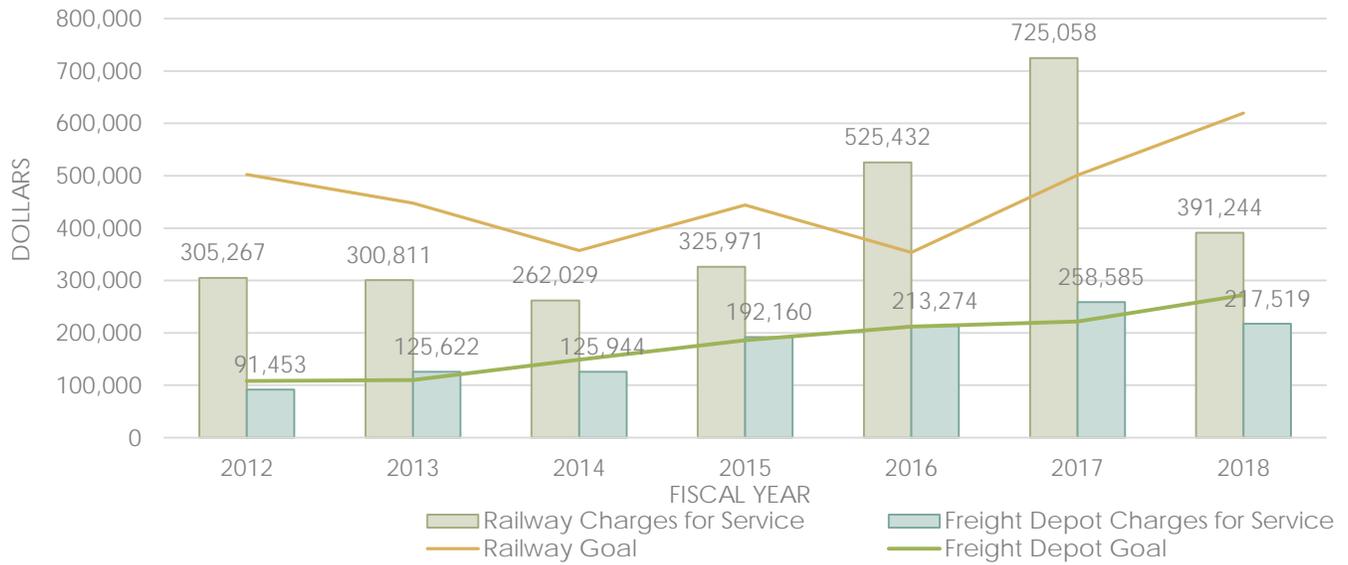


The newest locomotive purchased by the City of Prineville Railway in 2014.

Performance Measures Beginning Fund Balance Balance by Fiscal Year



Charges for Service Railway/Freight Depot Revenues by Fiscal Year



Speeder cars at the freight depot getting ready for a trip to the junction in May 2018.



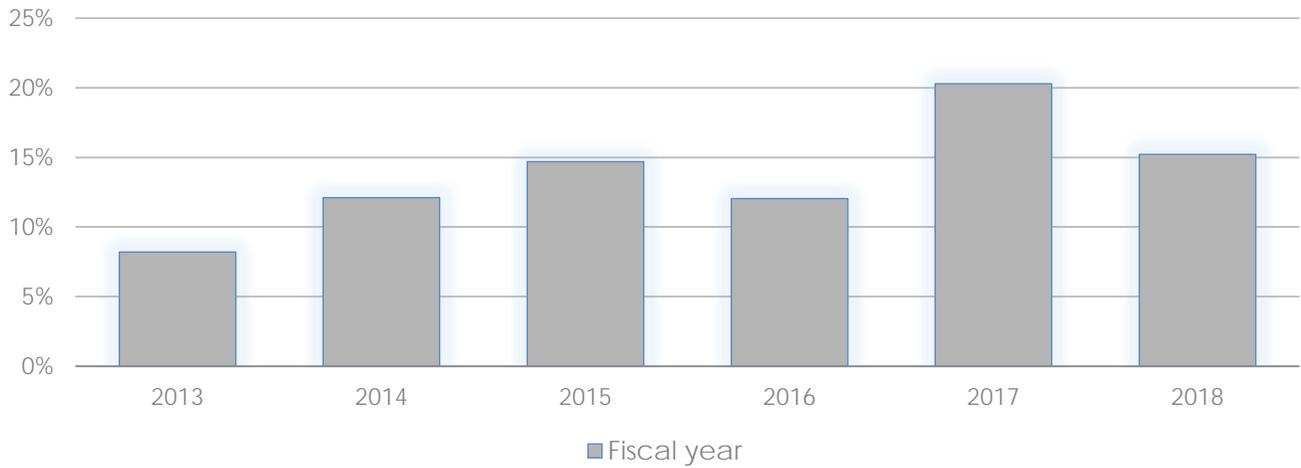
Number of Freight Cars Interchanged Railcars per Calendar Year



Customers Utilizing Rail Services Customers Utilizing Services per Fiscal Year



Maintenance of Way Expenditures as a percent of operating revenues



Heading to the Prineville Junction on a frosty day in December 2017.



Railroad / Freight Depot Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 633,849	\$ 902,566	\$ 1,101,566	\$ 1,059,621	\$ 1,094,421	\$ 1,094,421	\$ 1,094,421
Current year resources							
Charges for services	\$ 738,707	\$ 983,645	\$ 942,000	\$ 734,100	\$ 773,500	\$ 773,500	\$ 773,500
Intergovernmental	1,821		15,000				
Use of money & property	93,400	113,549	174,200	119,800	145,600	145,600	145,600
Transfer from other funds	100,900	50,500		-	-	-	-
Miscellaneous	114,377	68,838	70,000	60,200	85,000	85,000	85,000
Total current year resources	\$ 1,049,205	\$ 1,216,532	\$ 1,201,200	\$ 914,100	\$ 1,004,100	\$ 1,004,100	\$ 1,004,100
Total resources	\$ 1,683,054	\$ 2,119,098	\$ 2,302,766	\$ 1,973,721	\$ 2,098,521	\$ 2,098,521	\$ 2,098,521
Expenditures							
Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Personnel Services	\$ 296,181	\$ 303,560	\$ 421,000	\$ 362,100	\$ 320,300	\$ 320,300	\$ 320,300
Material and services	330,478	409,736	336,100	360,700	307,200	307,200	307,200
Capital outlay							
Improvements	-	205,604	121,000	60,000	231,000	231,000	231,000
Debt Service							
Principal - Freight Depot	95,811	49,221		-			
Interest - Freight Depot	2,818	156		-			
Transfers	55,200	91,200	96,500	96,500	80,000	80,000	80,000
Contingency			1,328,166		1,160,021	1,160,021	1,160,021
Total expenditures	\$ 780,488	\$ 1,059,477	\$ 2,302,766	\$ 879,300	\$ 2,098,521	\$ 2,098,521	\$ 2,098,521
Ending fund balance	\$ 902,566	\$ 1,059,621	\$ -	\$ 1,094,421	\$ -	\$ -	\$ -

Personnel

Railroad / Freight Depot Fund				
FTEs by Position				
FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Forecast	FY 19 Forecast
Operations Manager	1.00	1.00	1.00	1.00
Superintendent/Engineer	1.00	1.00	1.00	
Conductor / Mechanic				2.00
Freight Depot/Track Maintenance	1.00	1.00	2.00	
Railroad / Freight Depot Department Total	3.00	3.00	4.00	3.00

In FY 18, the Superintendent / Engineer retired. The position is not looking to be filled for FY 19.

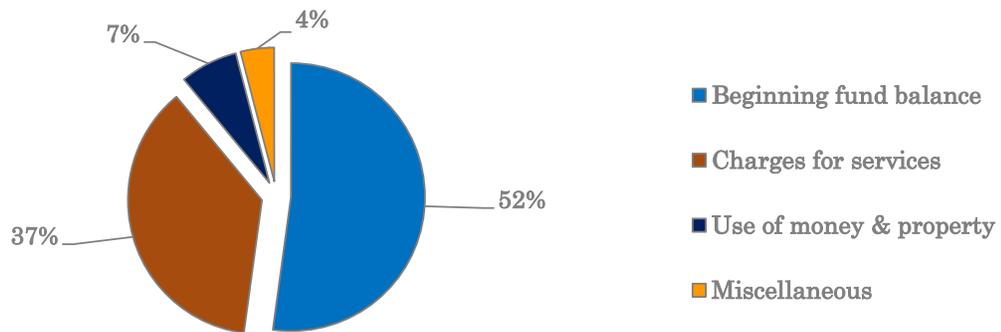


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Railroad	\$1,059,621	\$1,094,421	3%	\$1,160,021	\$707,500	64%

The beginning fund balance from FY 18 to FY 19 shows a 3 percent increase in the Railroad/Freight Depot Fund. The proposed budget for FY 19 shows a 6 percent increase to fund balance at year-end. Policy requirements for the Railroad/Freight Depot are equal to one year of an operating budget and 20 percent of total budget for capital reserve. This fund exceeds reserve policy requirements.

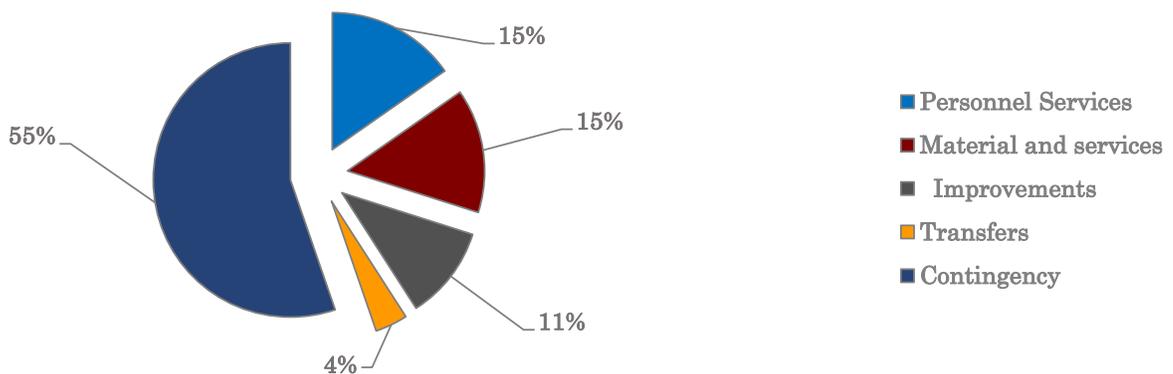
Resources



Assumptions

In FY 19, charges for services are 37 percent of total revenue and the beginning fund is 52 percent of total revenue. Overall, the current year resources are down 20 percent over the prior year adopted budget. This largely a result of a decrease in freight traffic from one large customer. Management continues to identify and develop diverse new customer base.

Requirements



Assumptions

Personnel services decreased from prior year approximately 31 percent, material and services is down slightly from prior year, and budgeted capital improvements total \$231,000 for FY 19. Transfers also decreased slightly and are calculated on a percentage of the operating budget.



Airport Fund



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 19

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 supports current and aggressively seeks new business opportunities on the airport. 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.



Final approach to land at the Prineville / Crook County Airport



Accomplishments for FY 18

- Successfully negotiated with GSA / USFS a 9 acre land lease and construction project.
- Secured FAA funding for a north side of airport apron expansion project.
- Secured stakeholder support for USFS airbase project.
- Successfully awarded \$2 million grant from the Connect Oregon program.
- Successfully awarded State grants totaling \$75,000 from the Critical Oregon Airport Relief (COAR) Program.
- Acquired FAA approval for UAV (Drone) operations from airport.
- 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.



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

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.



Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Connect Oregon Grant- USFS airbase/Fuel System/Match	\$ 1,800,000	\$ 2,500
USFS Airbase Project	\$ 4,740,000	\$ 650,000
Airbase - Parking apron	\$ 1,610,000	\$ 1,009,500
Airport Equipment		\$ 35,000
Capital Outlay Total	\$ 8,150,000	\$ 8,185,000

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 85.



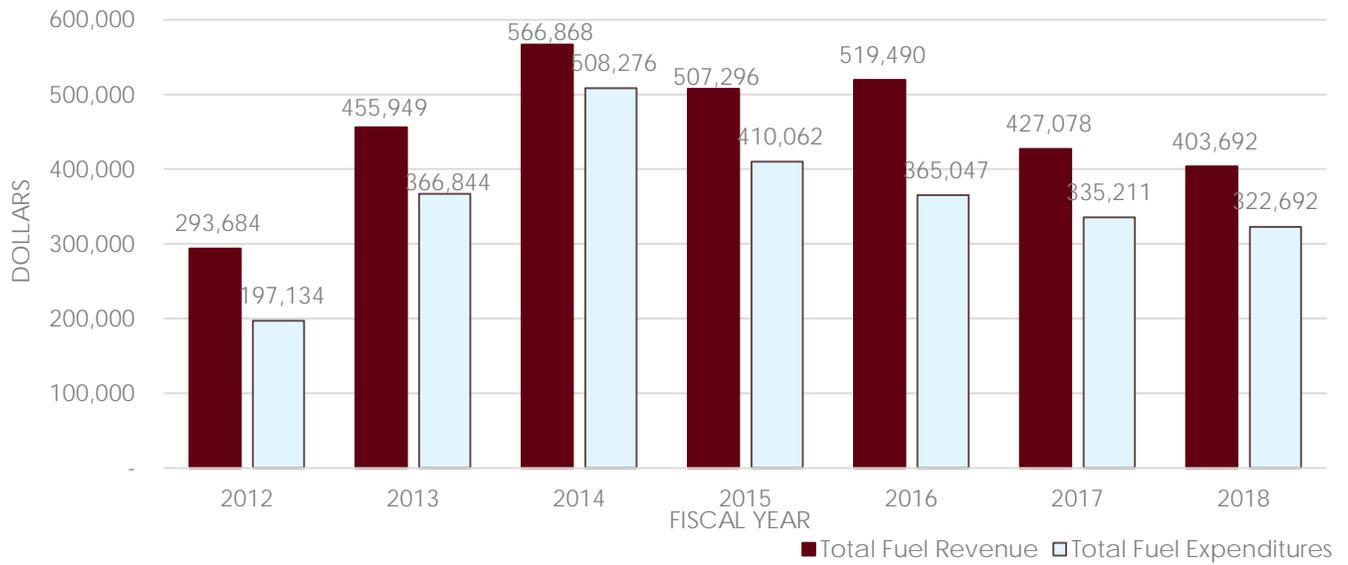
Local Reserve Officers' Training Corps performs during an event at the airport.



Performance Measures

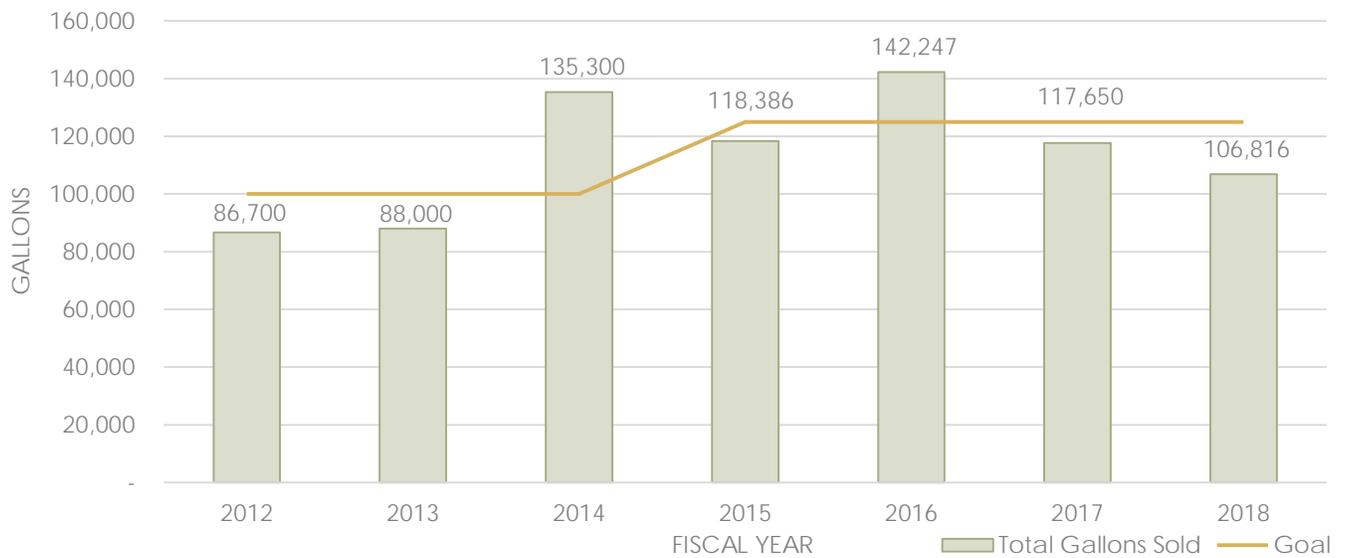
Fuel Sales Revenue/Expenditures

Revenues Generated by Fuel Sales per Fiscal Year

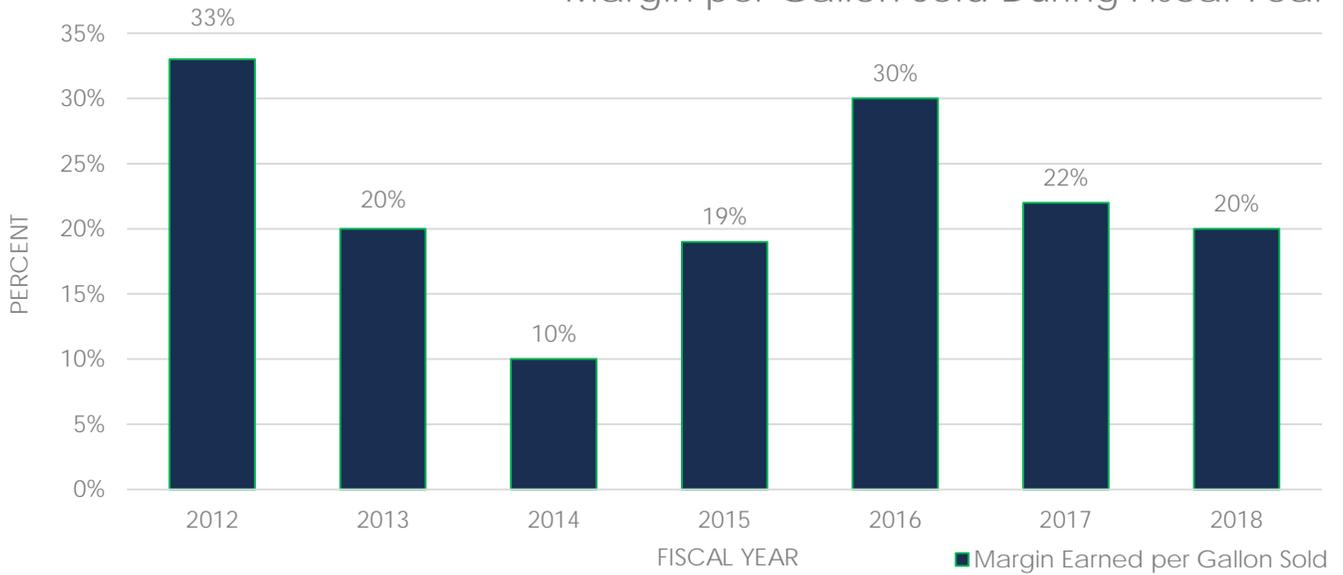


Volume of Fuel Sales

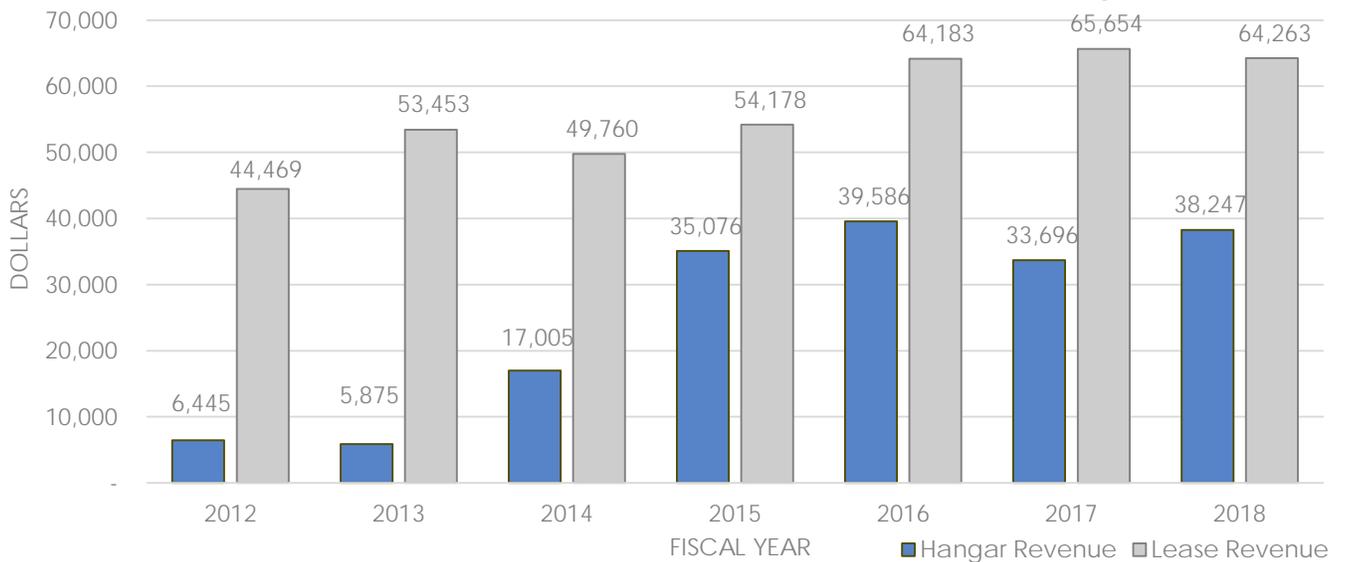
Total Fuel Volume Sold by Fiscal Year



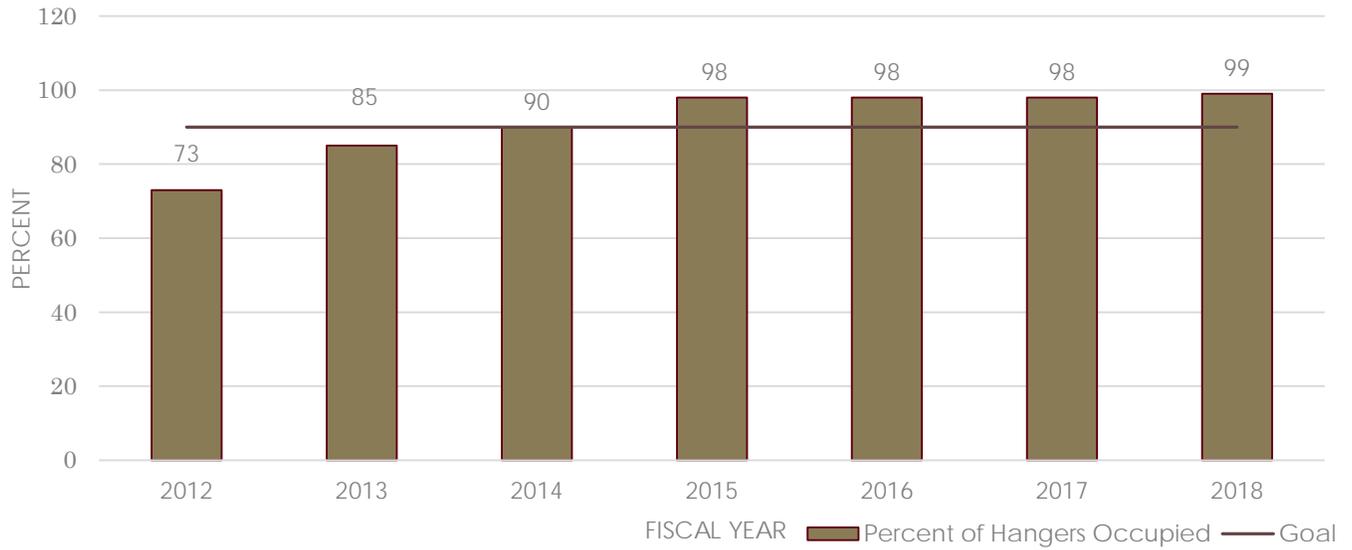
Average Gross Fuel Sale Margin Margin per Gallon Sold During Fiscal Year



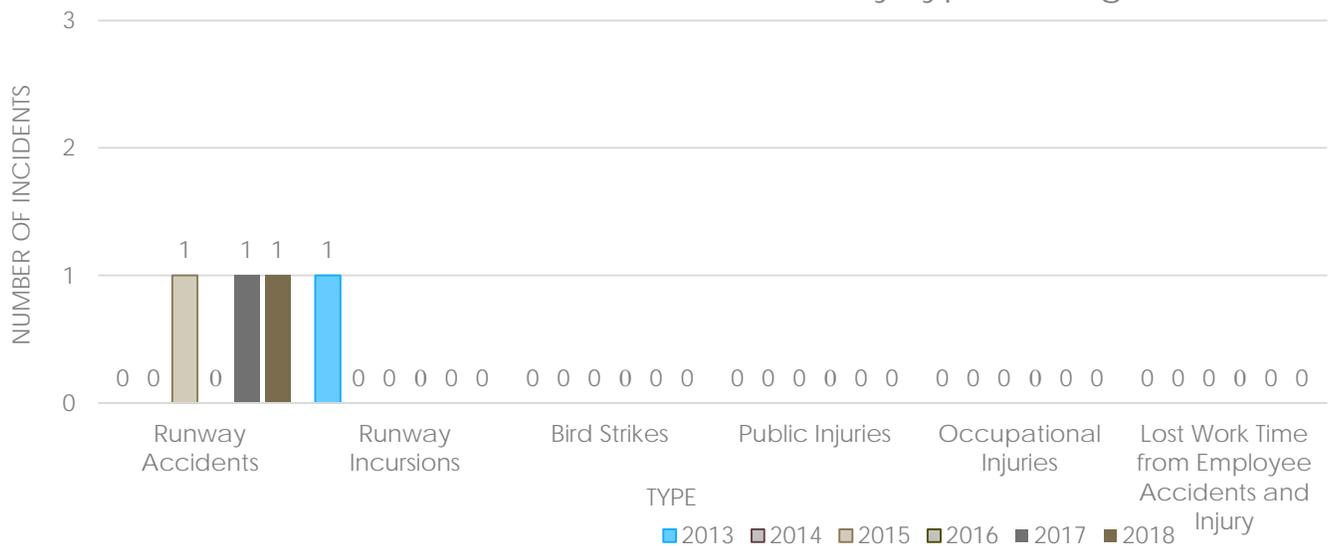
Hangar/Lease Revenue Revenue by Fiscal Year



Hangar Occupancy Rate Percent of Hangars Occupied per Fiscal Year



Safety Incidents Incidents by Type During Fiscal Year



Airport Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 72,949	\$ 61,663	\$ 156,563	\$ 65,888	\$ 5,488	\$ 5,488	\$ 5,488
Current year resources							
Intergovernmental	\$ 50,000	\$ 1,426,300	\$ 6,697,500	\$ 355,600	\$ 8,375,000	\$ 8,375,000	\$ 8,375,000
Charges for services	654,347	547,012	883,000	551,000	778,000	778,000	778,000
Interest	4	-	100	-	100	100	100
Transfer from other funds	50,000	230,000	50,000	150,000	50,000	50,000	50,000
Total current year resources	\$ 754,351	\$ 2,203,312	\$ 7,630,600	\$ 1,056,600	\$ 9,203,100	\$ 9,203,100	\$ 9,203,100
Total resources	\$ 827,300	\$ 2,264,975	\$ 7,787,163	\$ 1,122,488	\$ 9,208,588	\$ 9,208,588	\$ 9,208,588
Expenditures							
Personnel Services	\$ 150,789	\$ 144,068	\$ 181,100	\$ 168,500	\$ 154,000	\$ 154,000	\$ 154,000
Materials and services	492,520	498,040	782,300	505,900	724,200	724,200	724,200
County lease payment	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Capital outlay							
Improvements	12,428	1,442,179	6,587,000	340,000	8,185,000	8,185,000	8,185,000
Transfers	84,900	89,800	96,300	77,600	72,300	72,300	72,300
Contingency			115,463		48,088	48,088	48,088
Total expenditures	\$ 765,637	\$ 2,199,087	\$ 7,787,163	\$ 1,117,000	\$ 9,208,588	\$ 9,208,588	\$ 9,208,588
Ending fund balance	\$ 61,663	\$ 65,888	\$ -	\$ 5,488	\$ -	\$ -	\$ -



Canard at the fuel station at the airport.





Airport customer out for a flight.

Personnel

Airport Fund FTEs by Position FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Forecast
Airport Manager	1.00	1.00	1.00	1.00
Assistant	1.00	1.00	1.00	.50
Airport Department Total	2.00	2.00	2.00	1.50

At the end of FY 18, the airport assistant position became part time.



One of the many hangars at the Prineville / Crook County Airport.

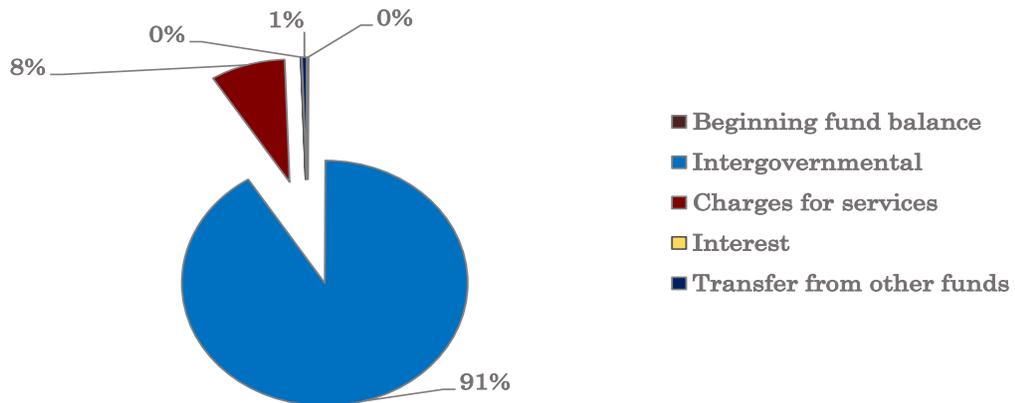


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Airport	\$65,888	\$5,488	-92%	\$48,088	\$620,608	-92%

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 -92 percent carryover is largely related to the purchase of fuel at year end.

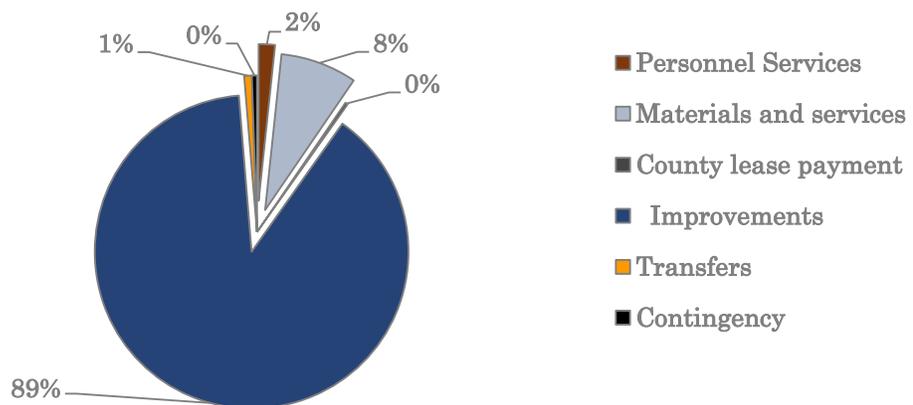
Resources



Assumptions

Intergovernmental revenues for FY 19 includes approximately \$50,000 for operations, \$4.84 million for capital improvements from Crook County, FAA grant funds totaling approximately \$1.61 million, Connect Oregon grant funds totaling \$1.8 million, a state grant for \$75,000, and a transfer of \$50,000 from the City of Prineville.

Requirements



Assumptions

In FY 19, the requirements total \$9.2 million and, of this total, \$8.18 million is budgeted for capital improvements. Operating budget totals \$975,500 and contingency is projected at \$48,000.



Water Fund



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 19

Department Goals	City Council Goals
Complete feasibility study on the potential for aquifer storage and recovery	Strive to position the City to meet future demands of businesses and citizens
Replace an additional 200 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 the City to meet future demands of businesses and citizens
Upgrade telemetry throughout the water system	Strive to position the City to meet future demands of businesses and citizens
Increase water resource availability to support urban growth boundary build out	Strive to position the City to meet future demands of businesses and citizens
Implement the federal legislation to provide for groundwater mitigation from Bowman Dam	Strive to position the 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.

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



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



Accomplishments for FY 18

- 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 200 water meters.
- Installed approximately 2,458 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 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.



The beginning construction phase of installing new utility lines to connect the airport industrial area to the valley floor in 2018.



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	\$ 30,000
Crooked River Concept	\$ 40,000	\$ 30,000
Aquifer Storage and Recover Feasibility Study	\$ 500,000	\$ 500,000
Transmission		
NW 4th Street - N Main to NW Deer	\$ 130,400	\$ 130,400
NW 5th Street - N Main to NW Deer	\$ 133,400	\$ 133,400
NW 5th Street - NW Deer to NW Harwood	\$ 191,500	\$ 191,500
SE 4th Street – S Belknap to SE Fairview, 3rd to 5th on Belknap	\$ 295,000	\$ 295,000
Airport Industrial Park Utility Extension	\$ 400,000	\$ 220,000
Capital Outlay Total	\$ 1,775,300	\$ 1,555,300

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 85.

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.



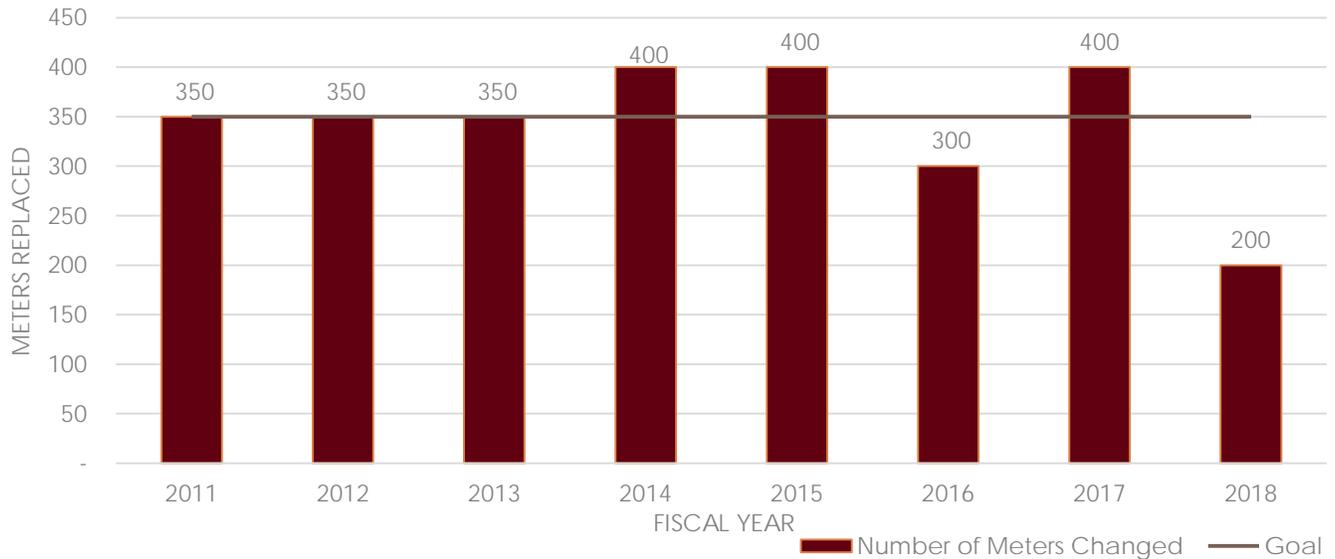
Public works staff installs a new residential water service.



Performance Measures

Meters Replaced Annually

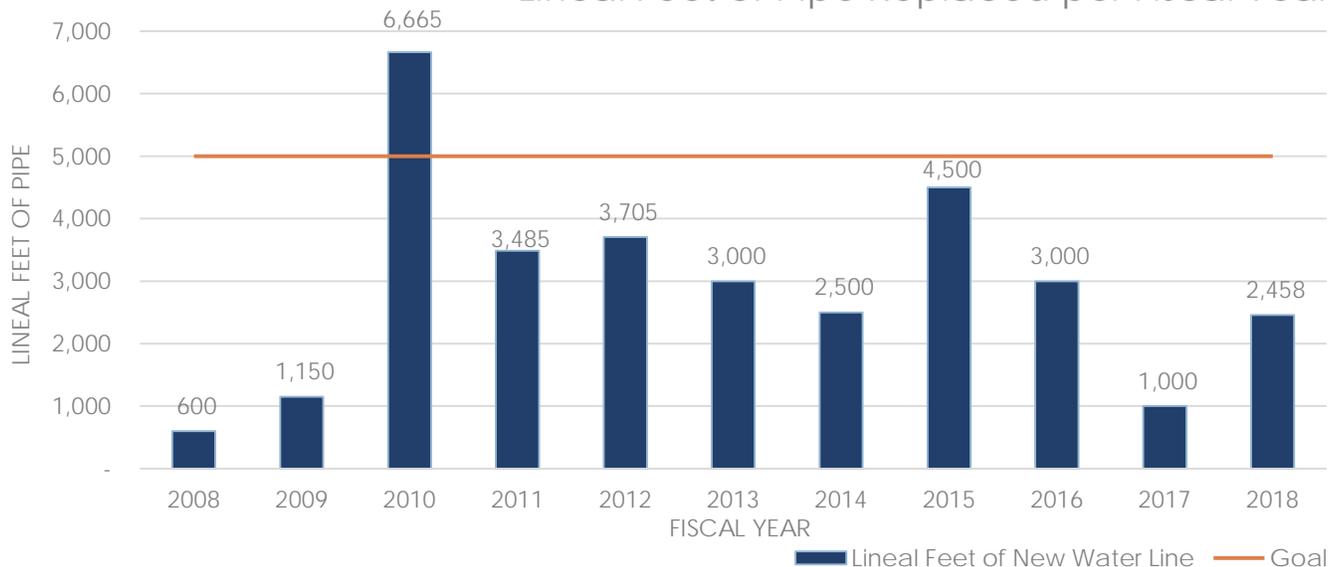
Meters Updated to Radio or Touch Reads per Fiscal Year



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.

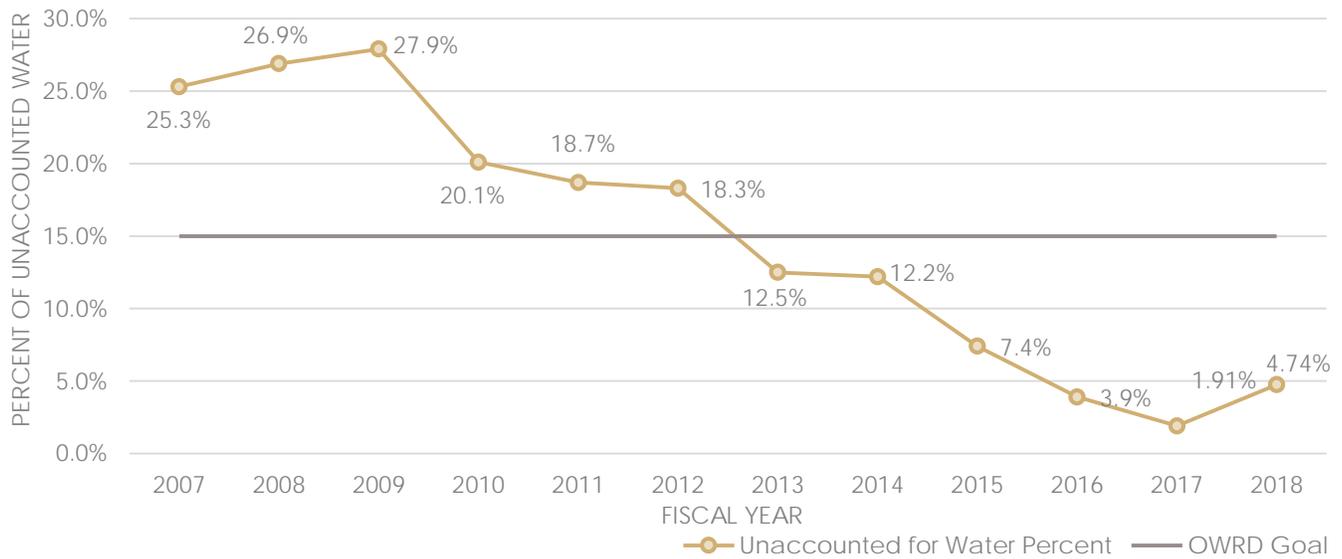
Water Conservation Activities

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.

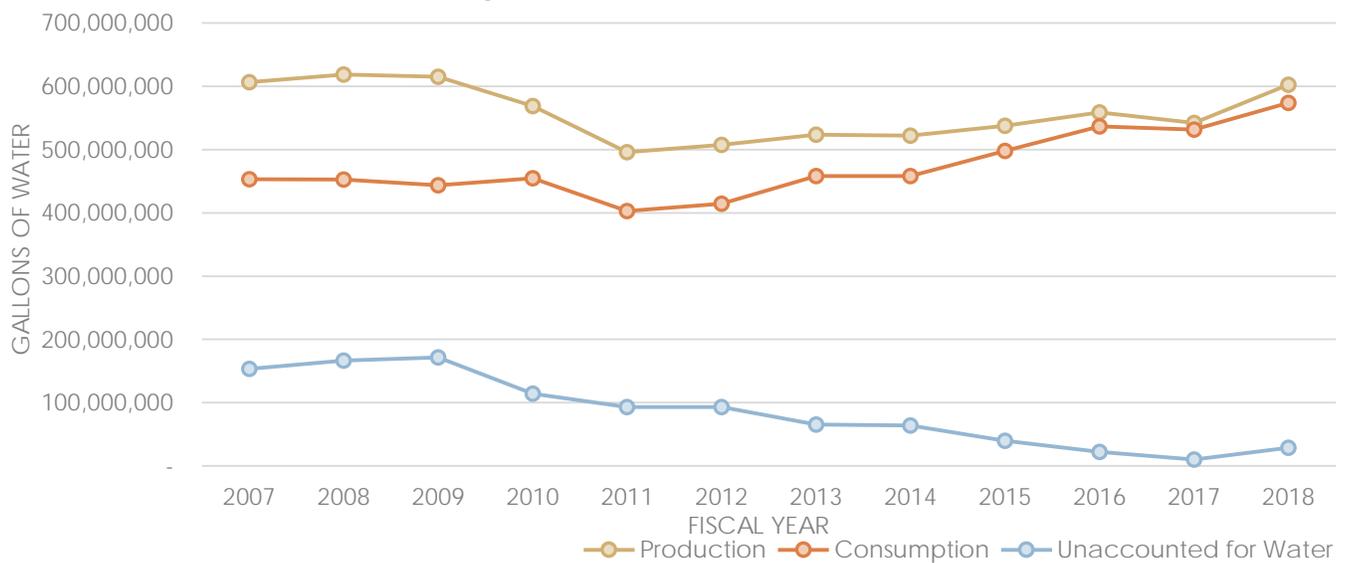


Unaccounted for Water in Systems Percent Unaccounted for Water After Production by Fiscal Year



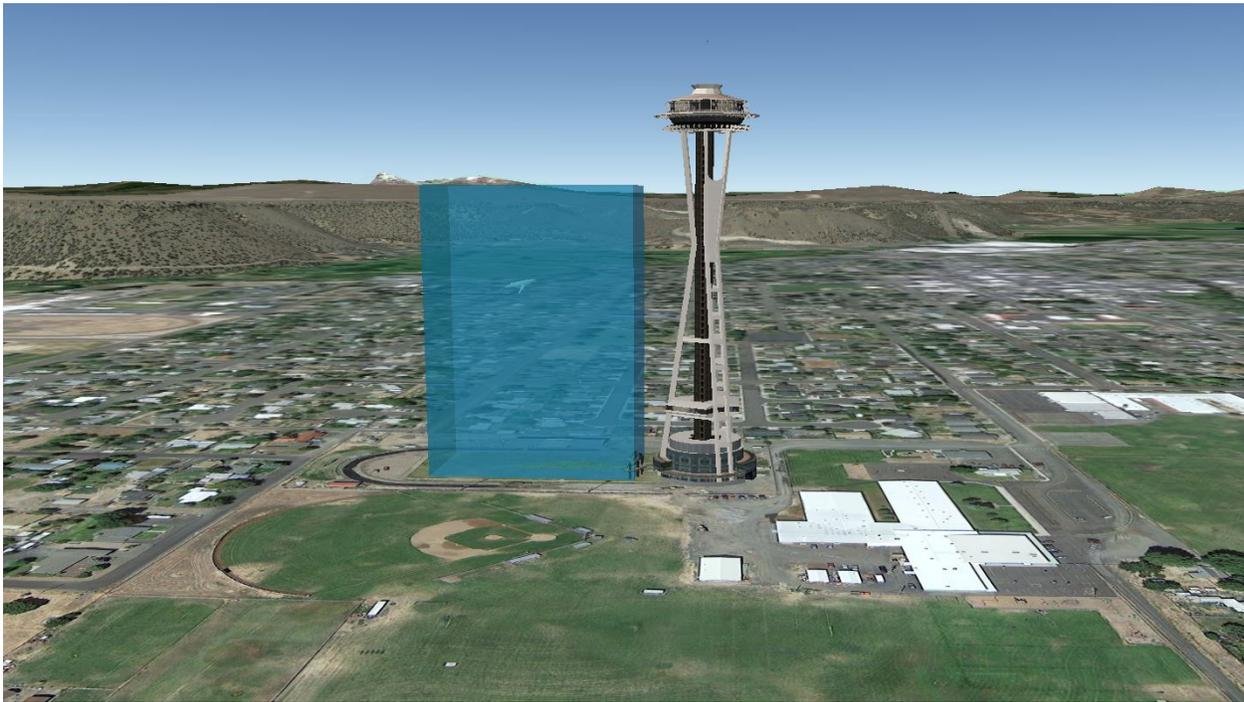
As shown in the above graph, in FY 09 unaccounted for water totaled approximately 27.9 percent of all water produced by the City. In FY 18, the City reduced the rate of unaccounted for water to approximately 4.7 percent.

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



The reduction of unaccounted for water from 27.9 percent to approximately 4.7 percent represents approximately 130 million gallons of water per year no longer categorized as produced and lost. It is quite expensive to pump 130 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 350 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

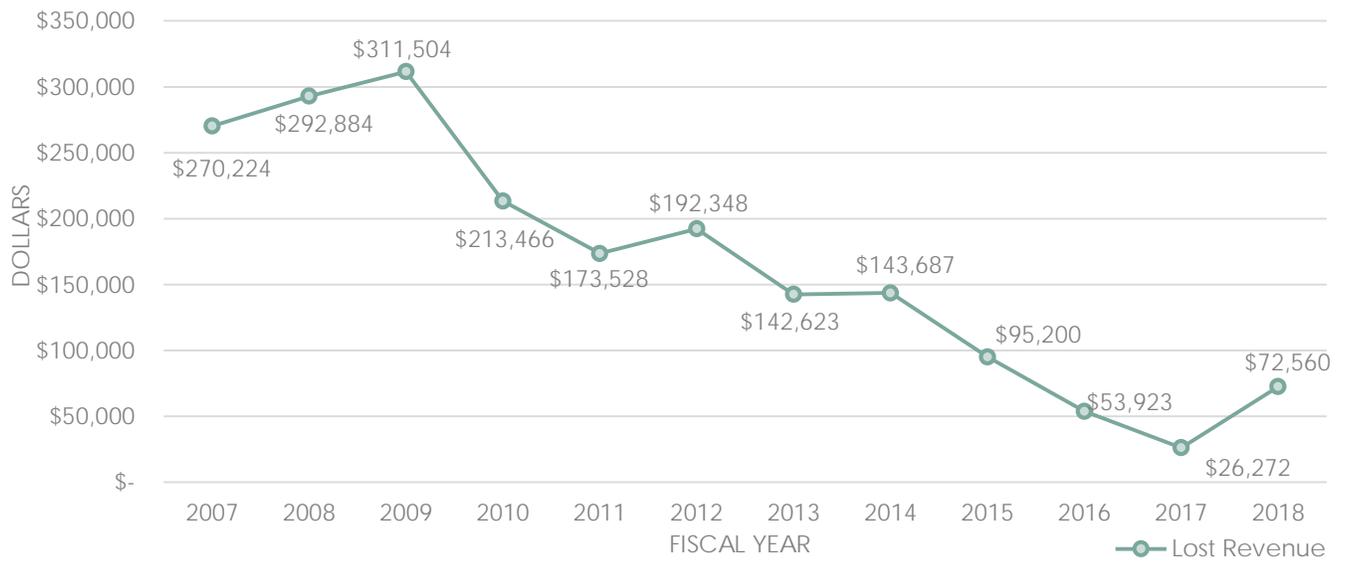


For FY 19, both residential and commercial customers utilizing a three-quarter-inch meter will have their base rates reduced by 5 percent. Commodity charges will increase by 2 percent. As there is no included consumption in residential rates, the average residential customers will experience a 3 to 4 percent rate reduction. Customers who use less water will experience greater savings. Residential customers utilizing



meters greater than a three-quarter inch (approximately 1.25 percent of customers) will see increases in their base rate to reflect the larger meter capacity as defined by the American Water Works Association. Commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. Over the course of the next three fiscal years, commercial base water rate charges will be reduced and included consumption for commercial accounts will be eliminated.

Lost Revenue Fiscal Year Revenue Lost Due to Unaccounted for Water



Two water tanks near the former Pioneer Memorial Hospital.



Water Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 15-16	FY 16-17	Budget FY 17-18	FY 17-18	Budget FY 18-19	Budget FY 18-19	Budget FY 18-19
Beginning fund balance	\$ 1,508,741	\$ 1,884,514	\$ 1,479,814	\$ 1,496,870	\$ 1,065,261	\$ 1,065,261	\$ 1,065,261
Current year resources							
Charges for services	\$ 2,350,888	\$ 2,343,857	\$ 2,757,000	\$ 2,941,900	\$ 3,090,000	\$ 3,090,000	\$ 3,090,000
Intergovernmental	-	25,000		-			
Interest	6,154	8,142	7,000	10,000	9,000	9,000	9,000
SDC reimbursement fee	236,235	168,886	127,000	127,000	124,000	124,000	124,000
Miscellaneous	4,770	75,955	5,500	5,500	5,500	5,500	5,500
Debt proceeds			2,280,000	2,271,000			
Transfers			285,000	285,000			
Total current year resources	\$ 2,598,047	\$ 2,621,840	\$ 5,461,500	\$ 5,640,400	\$ 3,228,500	\$ 3,228,500	\$ 3,228,500
Total resources	\$ 4,106,788	\$ 4,506,354	\$ 6,941,314	\$ 7,137,270	\$ 4,293,761	\$ 4,293,761	\$ 4,293,761
Expenditures							
Materials and services	\$ 432,764	\$ 501,750	\$ 506,500	\$ 529,200	\$ 474,200	474,200	474,200
Franchise fee expense	100,000	113,000	123,000	123,000	130,000	130,000	130,000
Capital outlay							
Improvements	337,767	944,258	937,500	1,398,000	1,555,300	1,555,300	1,555,300
Debt service							
Principal - refunding 2011/2017	105,000	115,000	2,280,000	2,419,509	102,000	102,000	102,000
Principal - revenue bond 2003	45,000	45,000	285,000	335,000	-	-	-
Interest - refunding 2011/2017	103,786	99,296	96,100	55,700	86,300	86,300	86,300
Interest - revenue bond 2003	20,457	19,380	17,100	17,000	-	-	-
Transfers	1,077,500	1,171,800	1,194,600	1,194,600	1,257,900	1,257,900	1,257,900
Contingency			1,501,514		688,061	688,061	688,061
Total expenditures	\$ 2,222,274	\$ 3,009,484	\$ 6,941,314	\$ 6,072,009	\$ 4,293,761	\$ 4,293,761	\$ 4,293,761
Ending fund balance	\$ 1,884,514	\$ 1,496,870	\$ -	\$ 1,065,261	\$ -	\$ -	\$ -

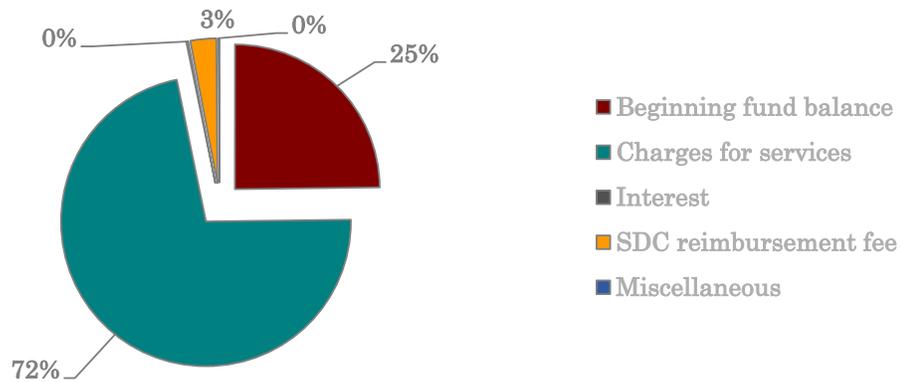


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Water	\$1,496,870	\$1,065,261	-29%	\$688,061	\$680,213	1%

The 29 percent decrease in the beginning fund balance compared to prior year is a result of budgeted capital improvement projects and additional repayment of debt in FY 18. Charges for services came in higher than anticipated. Projects and debt refunding required a supplemental budget adjustment. Capital projects budgeted for \$1.56 million in FY 19 will decrease the fund balance to 1 percent above reserve requirements.

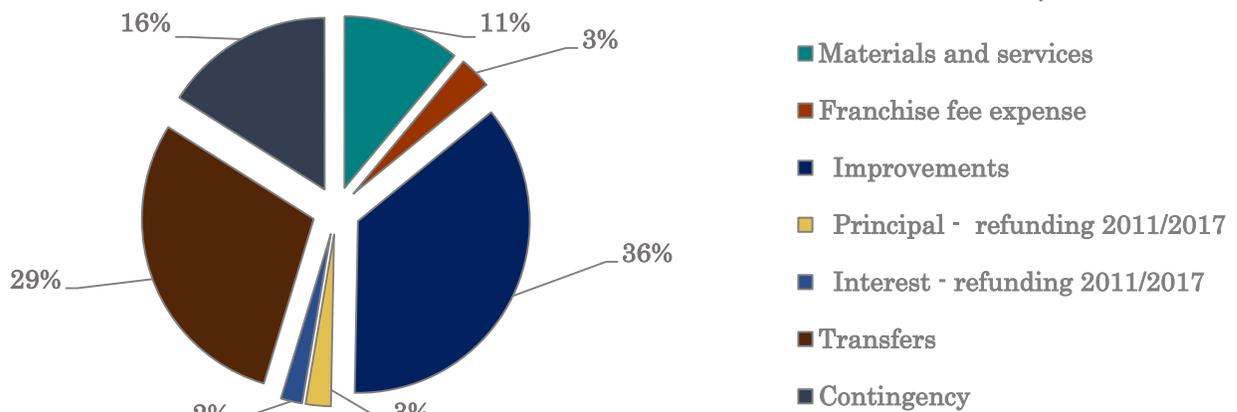
Resources



Assumptions

Charges for services in the FY 19 budget are proposed to increase approximately 5 percent over the prior year estimate. This increase includes a base rate decrease of 5 percent and a commodity charge increase of 2 percent. Residential and commercial customers utilizing a three-fourths-inch meter will experience a 3 to 4 percent rate reduction. Commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. SDC reimbursement fees are budgeted at \$130,000, which is current with the water debt transfer schedule. Interest and miscellaneous revenue are projected at less than 1 percent of total budget.

Requirements

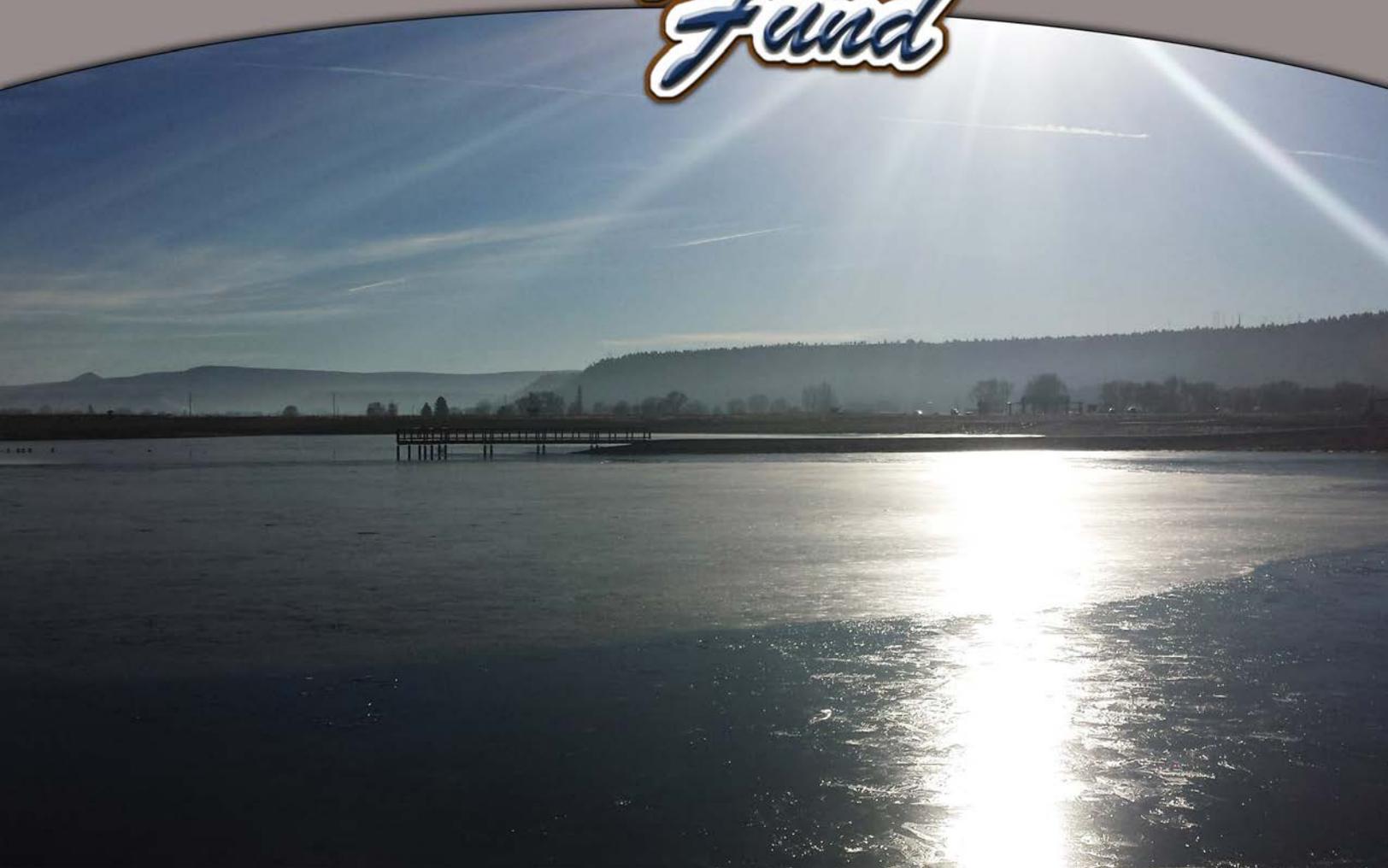


Assumptions

Materials and services are decreasing approximately 7 percent from prior year budget and are 11 percent of the total budget in FY 19. Improvements are 36 percent of budget. Transfers increased approximately 5 percent over the prior year.



Wastewater Fund



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 19

Department Goals	City Council Goals
Install additional wastewater transmission lines to connect the airport industrial area to the wastewater treatment plant	Provide quality municipal services and programs which contribute to community desirability
Continue investigation 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 of Prineville’s Wastewater Department, whose primary responsibility is to ensure the City’s wastewater system meets or exceeds all regulatory standards and requirements. The department provides for the safe conveyance and treatment of residential, commercial and industrial wastewater for the community. The wastewater collection system includes approximately 44 miles of collection lines ranging in size from 3 inches to 48 inches. The existing wastewater treatment plant consists of two parallel, partially aerated facultative lagoon systems capable of processing 1.67 million gallons of influent per day (MGD). Current average inflows to the plant are approximately 1.1 MGD. The existing plant produces a Class C effluent. This effluent is discharged into the Crooked River during the winter under an approved Oregon Department of Environmental Quality (DEQ) permit. At other times, effluent is stored and discharged via irrigation systems onto the city-owned golf course and approximately 350 acres of city-owned pasture lands.



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



Accomplishments for FY 18

- Continued to monitor influent flows and identified areas of infiltration and inflow.
- Completed an update of the Wastewater Master Plan.
- The design of the Airport Industrial Park Utility Expansion project was complete in FY 18. This project – currently under construction – will include the installation of four lines to serve the airport industrial area. These lines include:
 - 16-inch water transmission line with booster pump station.
 - This line will connect the valley and airport pressure zones and may be used for a future Aquifer Storage and Recovery project.
 - 12-inch wastewater reuse transmission line.
 - This line will be used in the event that current and future industries desire to utilize the City’s treated wastewater for industrial applications.
 - 18- to 21-inch wastewater line.
 - This line will operate in parallel to the existing 8-inch wastewater line that serves the airport industrial area. This line will be installed at a depth of up to 32 feet deep to support existing and future industrial customers.
 - 12-inch brine line.
 - This line will be installed to treat high TDS industrial water in the future.

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 the Oregon Department of Environmental Quality (DEQ) on the design of the new effluent disposal wetland.

Grants Received for FY 18

- Oregon Energy Trust - \$132,000 grant to upgrade the wastewater treatment plant aeration system.



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



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.



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

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Treatment Plant		
ATV	\$ 10,000	\$ 10,000
Pump Headworks	\$ 50,000	\$ 50,000
Distribution Upgrades	\$ 50,000	\$ 50,000
Wetland Projects		\$ 25,900
Sanitary Sewer (Materials and Services)		
Collection Improvements SE 5th Street, Garner to Idlewood		\$ 79,000
Collection Improvements NE 7th Street, Garner to Holly		\$ 25,000
McDougal Pump Replacement		\$ 25,000
Airport Industrial Park Utility Extensions	\$ 765,600	\$ 765,600
Infiltration and Inflow Maintenance	\$ 2,000,000	\$ 46,000
Capital Outlay Total	\$ 2,875,600	\$ 1,076,500

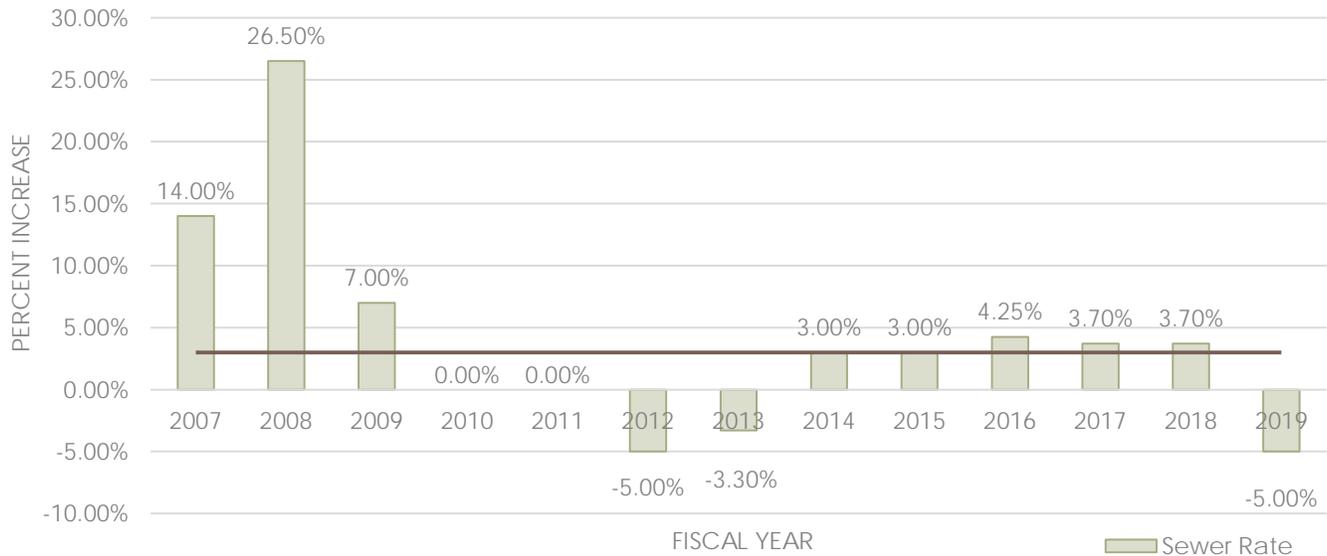
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 85.



Performance Measures

Residential Sewer Rate Changes

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 a total of 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. Fortunately, in FY 19 the Wastewater Fund will be able to operate the system with a decrease to the monthly residential rate.

Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. Base wastewater rates will be reduced by 5 percent while commodity charges will increase by 12.5 percent. For residential and small commercial customers, monthly rates will be reduced from \$55.72 to \$52.93. Large commercial customers will experience a base rate reduction from \$136.33 to \$52.93 and included production will be reduced from 30 units to 5 units. Five units is the average sewer production from a residential home.

Residential Sewer Rate

Trending Rates by Fiscal Year



Wastewater Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 1,766,550	\$ 1,657,741	\$ 1,962,841	\$ 1,846,857	\$ 1,911,257	\$ 1,911,257	\$ 1,911,257
Current year resources							
Charges for services	\$ 3,194,346	\$ 3,419,401	\$ 3,481,000	\$ 3,500,000	\$ 3,535,000	\$ 3,535,000	\$ 3,535,000
Interest	5,244	9,545	5,000	15,000	15,000	15,000	15,000
Miscellaneous	29,373	215,757	88,800	105,800	93,200	93,200	93,200
SDC Reimbursement Fee	31,300	43,155	1,732,400	1,743,400	58,800	58,800	58,800
Debt Proceeds			7,167,000	6,650,000			
Transfers			345,300	345,300			
Total current year resources	\$ 3,260,263	\$ 3,687,858	\$ 12,819,500	\$ 12,585,800	\$ 3,702,000	\$ 3,702,000	\$ 3,702,000
Total resources	\$ 5,026,813	\$ 5,345,599	\$ 14,782,341	\$ 14,432,657	\$ 5,613,257	\$ 5,613,257	\$ 5,613,257
Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Personnel Services	\$ 99,059	\$ 117,047	\$ 116,400	\$ 121,900	\$ 128,000	\$ 128,000	\$ 128,000
Materials and services	467,327	585,122	598,800	591,500	625,100	625,100	625,100
Franchise fee expense	159,000	173,000	173,000	173,000	177,000	177,000	177,000
Capital outlay							
Improvements	484,467	374,029	325,000	630,000	940,600	940,600	940,600
SLARRA					135,900	135,900	135,900
Debt service							
Principal							
DEQ CWSRF R74682/2	422,878	435,401	448,300	448,300	461,600	461,600	461,600
Refunding 2011/2017	85,000	125,000	4,667,000	4,886,300	119,100	119,100	119,100
DEQ Bridge Loan			4,500,000	4,000,000			
State of Oregon IFA			26,600		31,300	31,300	31,300
USDA 2018			66,400		56,200	56,200	56,200
Interest							
DEQ CWSRF R74682/2	155,973	151,819	139,000	139,000	125,700	125,700	125,700
Refunding 2011/2017	202,794	198,764	195,300	113,100	100,700	100,700	100,700
DEQ Bridge Loan	-	-		52,600			
State of Oregon IFA			10,000		10,000	10,000	10,000
USDA 2018			103,200		110,000	110,000	110,000
Fees							
DEQ CWSRF R74682/2	28,474	23,360	24,200	24,200	22,000	22,000	22,000
Transfers	1,264,100	1,315,200	1,341,500	1,341,500	1,400,000	1,400,000	1,400,000
Contingency			1,591,341		699,857	699,857	699,857
Total expenditures	\$ 3,369,072	\$ 3,498,742	\$ 14,326,041	\$ 12,521,400	\$ 5,143,057	\$ 5,143,057	\$ 5,143,057
Other requirements							
Debt service reserves	\$ -	\$ -	\$ 456,300	\$ -	\$ 470,200	\$ 470,200	\$ 470,200
Ending fund balance	\$ 1,657,741	\$ 1,846,857	\$ -	\$ 1,911,257	\$ -	\$ -	\$ -

Personnel

Wastewater Fund FTEs by Position FY 16- 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Forecast
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00
Wastewater Department Total	1.00	1.00	1.00	1.00

No staffing changes for FY 19.

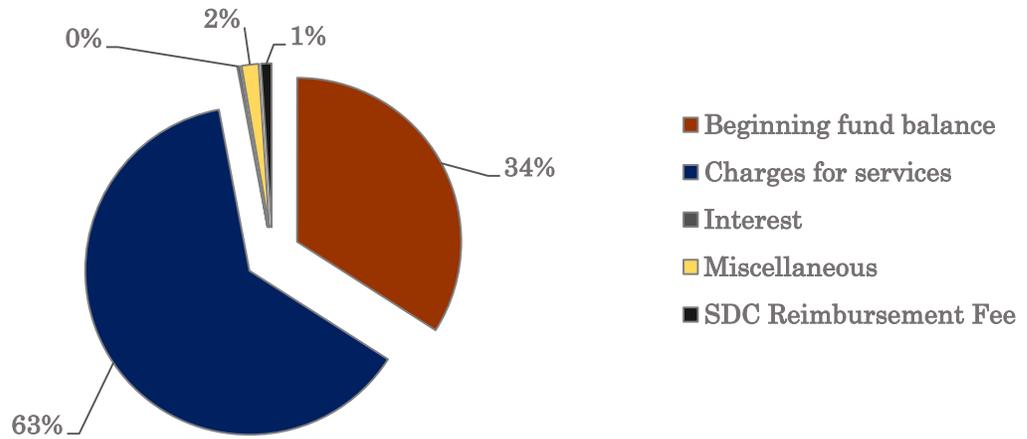


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Wastewater	\$1,846,857	\$1,911,257	3%	\$699,857	\$699,505	0%

The beginning fund balance increased approximately 3 percent from FY 18 to FY 19. Capital improvement projects budgeted in FY 19 for approximately \$1.08 million will decrease fund balance to right at the City reserve policy level.

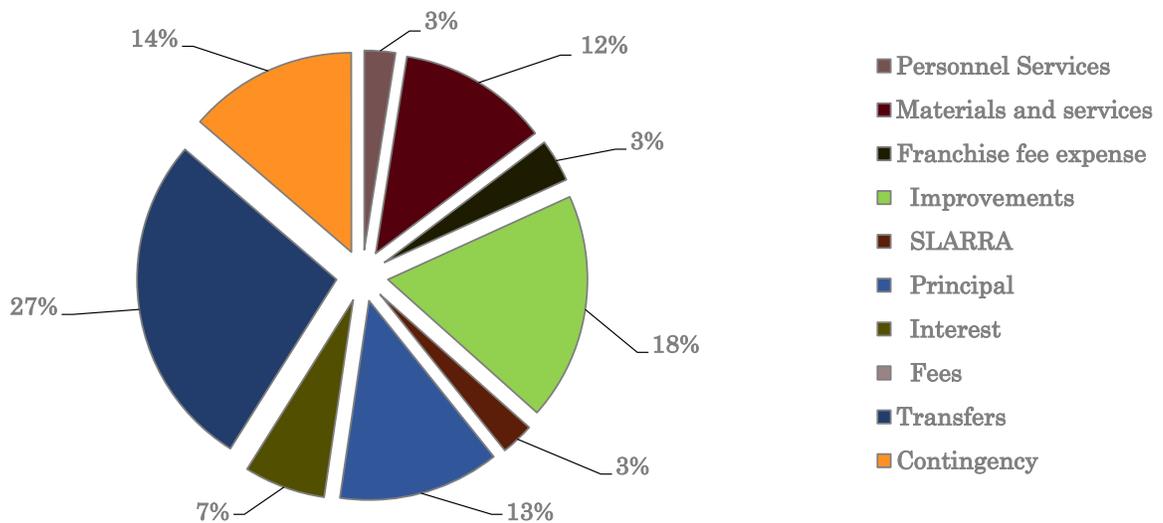
Resources



Assumptions

Charges for services are budgeted to increase over the year-end estimates by approximately 1 percent. Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. For residential and small commercial customers monthly rates will be reduced 5 percent. Large commercial customers will experience a base rate reduction while commodity charges will increase.

Requirements



Assumptions

For FY 19, personnel services increased 5 percent over the year-end estimate for FY 18 and materials and services increased 6 percent. Capital improvements are divided into two categories – improvements and short-lived asset replacement reserve account (SLARRA). This account must be funded annually for not less than \$135,900 as a requirement of the wetlands United States Department of Agriculture (USDA) loan. Totals for both improvements are budgeted at \$1,076,500. Debt service is budgeted at \$1,014,600.



Golf Course Fund



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 19

Department Goals	City Council Goals
Summer marketing campaigns centered on highlighting the 25 th anniversary of the course's opening as well as hosting a 25 th anniversary tournament	Provide quality municipal services and programs which contribute to community desirability
Maintain 100 percent score on health inspections in the restaurant and have zero lost-time injuries at the facility	Community Safety
Review and adjust the lunch menu quarterly, and make necessary improvements in the restaurant to increase profitability and maintain high food standards	Provide quality municipal services and programs which contribute to community desirability
Increase daily play golf revenue by 5,000 over FY 18	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 Lesson sales by 50 percent over fiscal year 2018	To be fiscally responsible in all we do
Increase overall financial performance in the restaurant by hosting one special event dinner or brunch each month in FY19	To be fiscally responsible in all we do
Replace one of the current aging fairway mowers and trim mowers with a slightly used, cost-efficient and environmentally friendly mowers	Strive to position the city to meet future demands of businesses and citizens
Increase the Meadow Lakes fund balance while completing all planned Capital Improvement projects in FY19	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*, and has been ranked as a “top-3 municipal course in Oregon” by *Golf Advisors*. 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 18

- 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 20 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.
- Continued with the course motto to "More Golf...Less Green" to highlight the golf course's perceived value to the customer through marketing channels.
- Superintendent Steve Reynolds and Assistant Superintendent Dave Holmen reached 25 years of service during the FY18.
- Head Professional / Facility Manager Zach Lampert was elected to membership by the PGA of America.
- Adjusted the lunch menu to highlight items that have the highest profit margins.
- Continued to play a key role in the community for fundraising efforts. In 2017, Meadow Lakes donated 375 rounds of golf, valued at nearly \$17,000. Meadow Lakes also hosted a number of fundraising events in the past year, including the CCHS Golf Team, CCHS Wrestling Team, Culver Mat Club, Southern Oregon University Basketball Team, Kiwanis Club, Oregon Junior Golf Association, Central Oregon Junior Golf Association, Tri County Rodeo Club, Soroptimist Club, and Humane Society of the Ochocos. Funds raised from these events totaled over \$75,000.



- Replaced aging beer coolers in the bar. The old beer coolers did not have adequate blowers to cool the tap beer as it entered the tap towers. This caused an estimated 30 percent loss of product due to over-foaming. The new refrigeration is expected to increase profit margins for tap beer sales, and reduce waste by roughly 25 percent.
- Added bunker sand to the remaining 12 fairway bunkers to improve playability of the course.
- Began the process of removing seven fairway bunkers that have been deemed unnecessary. This will reduce replacement sand costs by 11 percent and will reduce labor costs for raking the bunkers by 10 percent.
- Increased social media presence by adding an Instagram page and increasing the number of posts on Facebook. Facebook posts generated over 41,400 impressions.

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 refrigeration in kitchen	\$ 10,000	\$ 10,000
Trim mower / Gang rough mower	\$ 15,000	\$ 15,000
Fairway mower	\$ 25,000	\$ 25,000
Capital Outlay Total	\$ 50,000	\$ 50,000

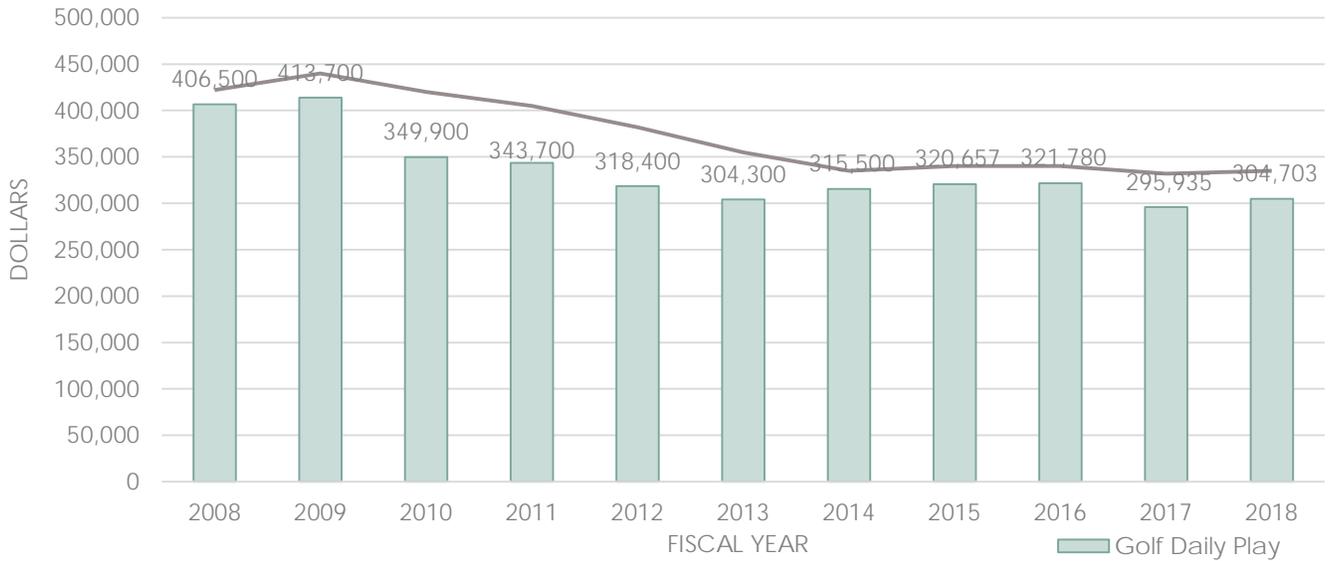
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 85.



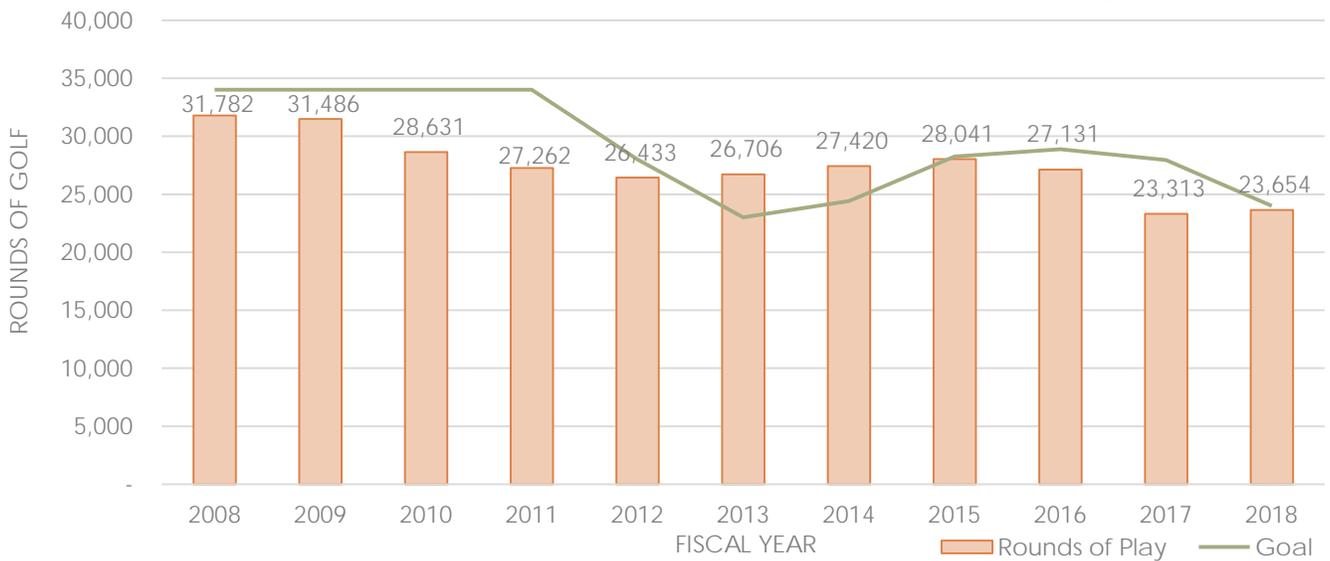
An example of the view from the Meadow Lakes Restaurant patio out across the golf course.



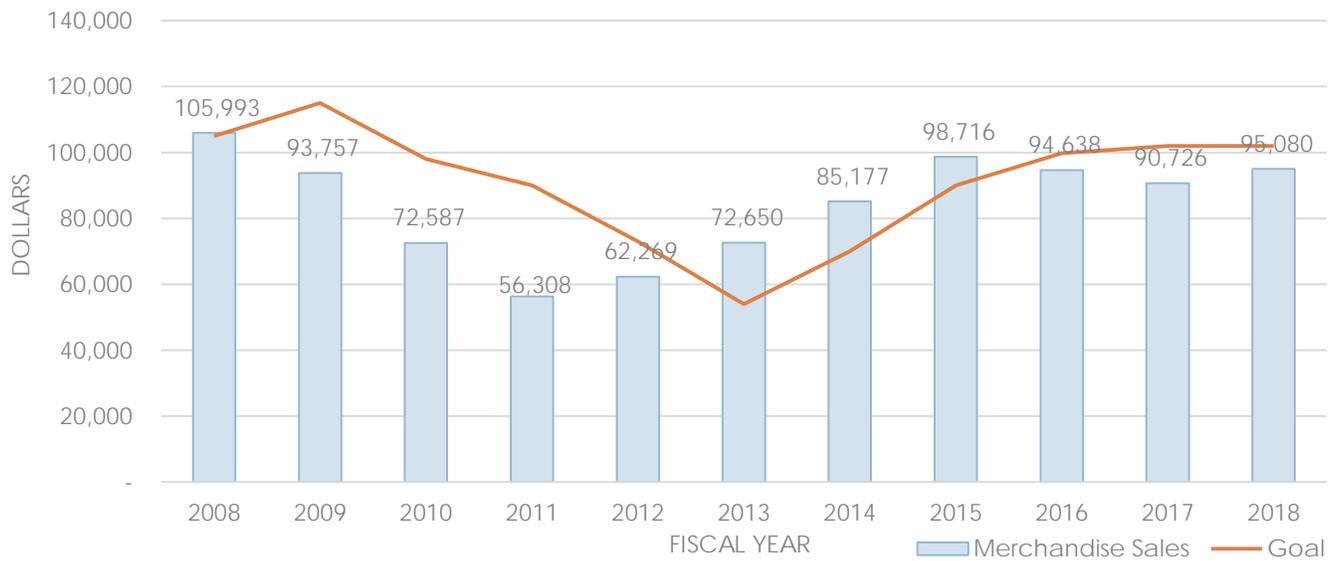
Performance Measures Golf Daily Play Revenue Revenue Generated by Golf Rounds per Fiscal Year



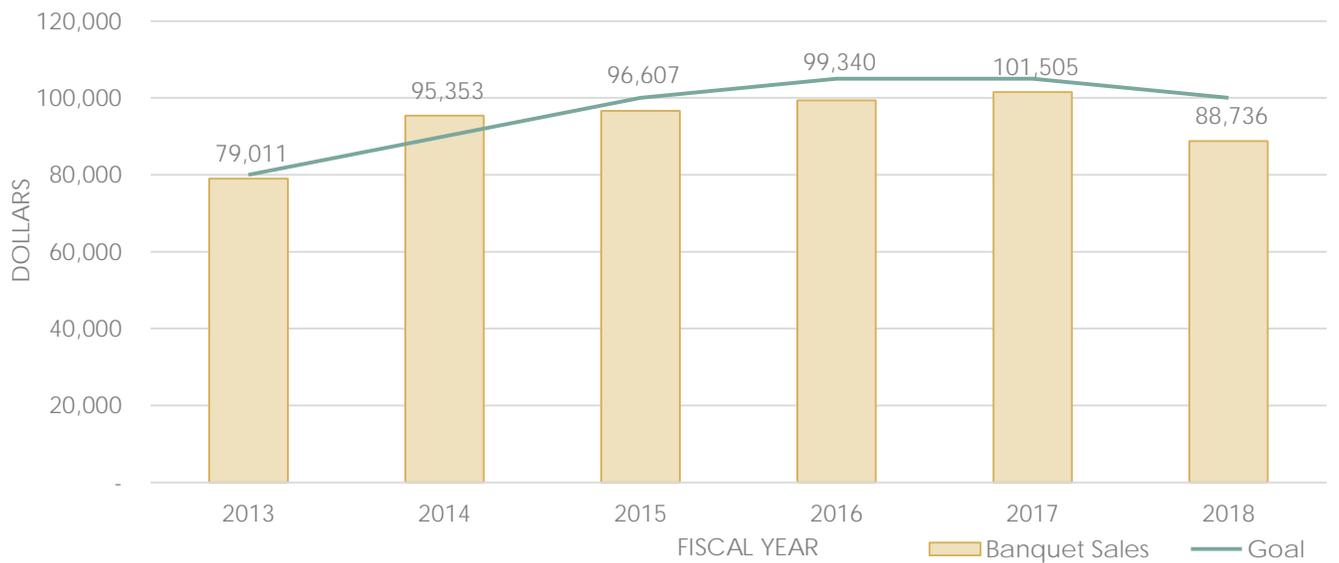
Rounds of Play Rounds of Golf Sold During Fiscal Year



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



View from the bridge overlooking hole 18 and the clubhouse.



Golf Course Budget

Resources	Actual FY 15-16	Actual FY 15-16	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 542,662	\$ 373,308	\$ 423,008	\$ 402,031	\$ 416,731	\$ 416,731	\$ 416,731
Current year resources							
Charges for services							
Golf Course	\$ 726,213	\$ 681,189	\$ 762,000	\$ 711,500	\$ 765,500	\$ 765,500	\$ 765,500
Waste disposal	370,000	370,000	370,000	370,000	370,000	370,000	370,000
Restaurant	410,783	396,260	442,000	391,500	441,000	441,000	441,000
Other							
Interest	2,275	3,263	2,500	3,500	3,500	3,500	3,500
Miscellaneous	6,171	15,850	7,000	10,300	7,500	7,500	7,500
Debt proceeds			395,000	394,000			
Net equity transfer							
Total current year resources	\$ 1,515,442	\$ 1,466,561	\$ 1,978,500	\$ 1,880,800	\$ 1,587,500	\$ 1,587,500	\$ 1,587,500
Total resources	\$ 2,058,104	\$ 1,839,869	\$ 2,401,508	\$ 2,282,831	\$ 2,004,231	\$ 2,004,231	\$ 2,004,231
Expenditures							
Golf Course	\$ 616,246	\$ 397,746	\$ 464,500	\$ 427,500	\$ 459,000	\$ 459,000	\$ 459,000
Waste disposal	458,281	430,126	441,900	425,800	449,900	449,900	449,900
Restaurant	509,411	510,325	566,400	537,300	545,500	545,500	545,500
Debt service							
Principal - note payable	21,079	23,702	23,900	23,900	25,200	25,200	25,200
Interest - note payable	4,435	4,131	4,100	4,100	2,700	2,700	2,700
Principal - credit facility	45,546	23,398	-	-			
Interest - credit facility	2,371	460	-	-			
Principal - Refunding 2011/2017	10,000	30,000	395,000	437,800	40,000	40,000	40,000
Interest - Refunding 2011/2017	17,426	17,950	17,000	9,700	15,000	15,000	15,000
Contingency			488,708		466,931	466,931	466,931
Total expenditures	\$ 1,684,796	\$ 1,437,838	\$ 2,401,508	\$ 1,866,100	\$ 2,004,231	\$ 2,004,231	\$ 2,004,231
Ending fund balance	\$ 373,308	\$ 402,031	\$ -	\$ 416,731	\$ -	\$ -	\$ -



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





August 2017 solar eclipse as viewed from the golf course.

Personnel

Golf Course Fund FTEs by Position FY 16 – 19				
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 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			
Golf Course Operations				
Assistant Golf Operations Manager	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	5.00	5.00	5.00

No staffing changes in FY 19.





An example of the scenery at the Meadow Lakes Golf Course.



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

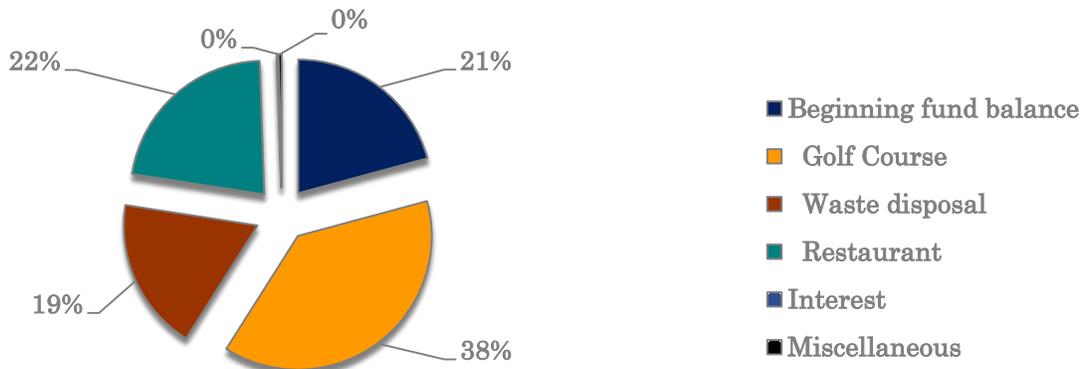


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 17-18	Proposed FY 18-19 Beginning Fund Balance	% Change FY 18 to FY 19	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Golf Course and Restaurant	\$402,031	\$416,731	4%	\$466,931	\$310,037	51%

In FY 19, the beginning fund balance increased approximately 4 percent over the prior year. Fund balance is budgeted to increase 12 percent in FY 19. This fund exceeds the City's policy requirements by 51 percent.

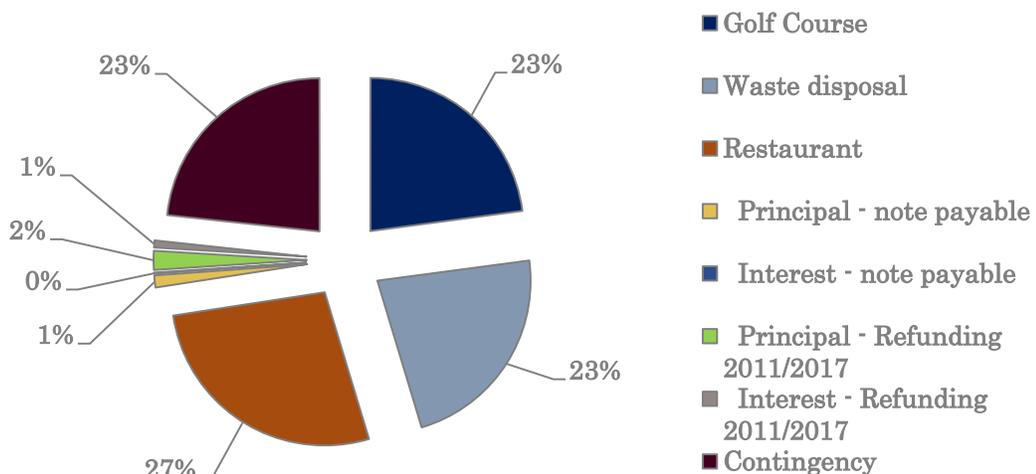
Resources



Assumptions

Golf revenue projections for operations in FY 19 propose a 7 percent increase in golf over year-end estimates and a 2 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 4 percent in FY 19 and materials and services will decrease 5 percent. The budget for capital expenditures is \$50,000 for FY 19.



Course Operations



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.

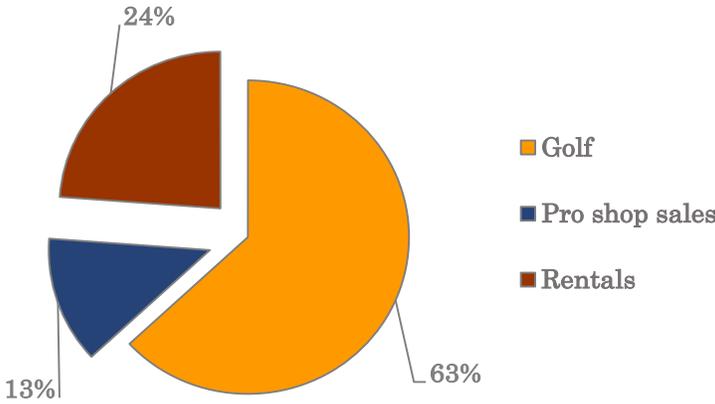
In the upcoming budget year, Meadow Lakes will continue to strategically improve the condition of the golf course and upgrade aging equipment throughout the facility using the allocated resources. Projects that extend the life of the course and reduce maintenance/operating costs are the primary focus.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



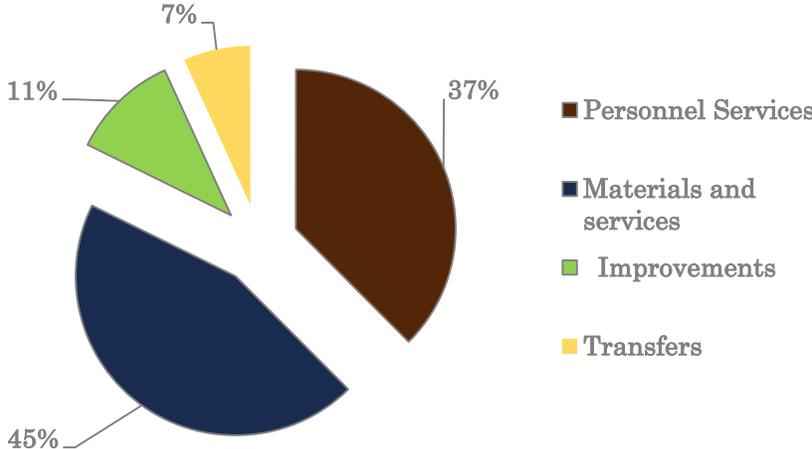
Golf Course Operations Budget

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Revenue							
Golf	\$ 455,404	\$ 422,017	\$ 481,000	\$ 442,700	\$ 483,000	\$ 483,000	\$ 483,000
Pro shop sales	94,638	90,726	102,000	90,000	100,000	100,000	100,000
Rentals	176,171	168,446	179,000	178,800	182,500	182,500	182,500
Total revenue	\$ 726,213	\$ 681,189	\$ 762,000	\$ 711,500	\$ 765,500	\$ 765,500	\$ 765,500
Expenditures							
Personnel Services	\$ 197,659	\$ 150,051	\$ 165,000	\$ 171,500	\$ 172,400	\$ 172,400	\$ 172,400
Materials and services	190,199	186,596	211,400	186,900	205,400	205,400	205,400
Capital outlay							
Improvements	179,088	22,799	49,000	30,000	50,000	50,000	50,000
Transfers	49,300	38,300	39,100	39,100	31,200	31,200	31,200
Total expenditures	\$ 616,246	\$ 397,746	\$ 464,500	\$ 427,500	\$ 459,000	\$ 459,000	\$ 459,000

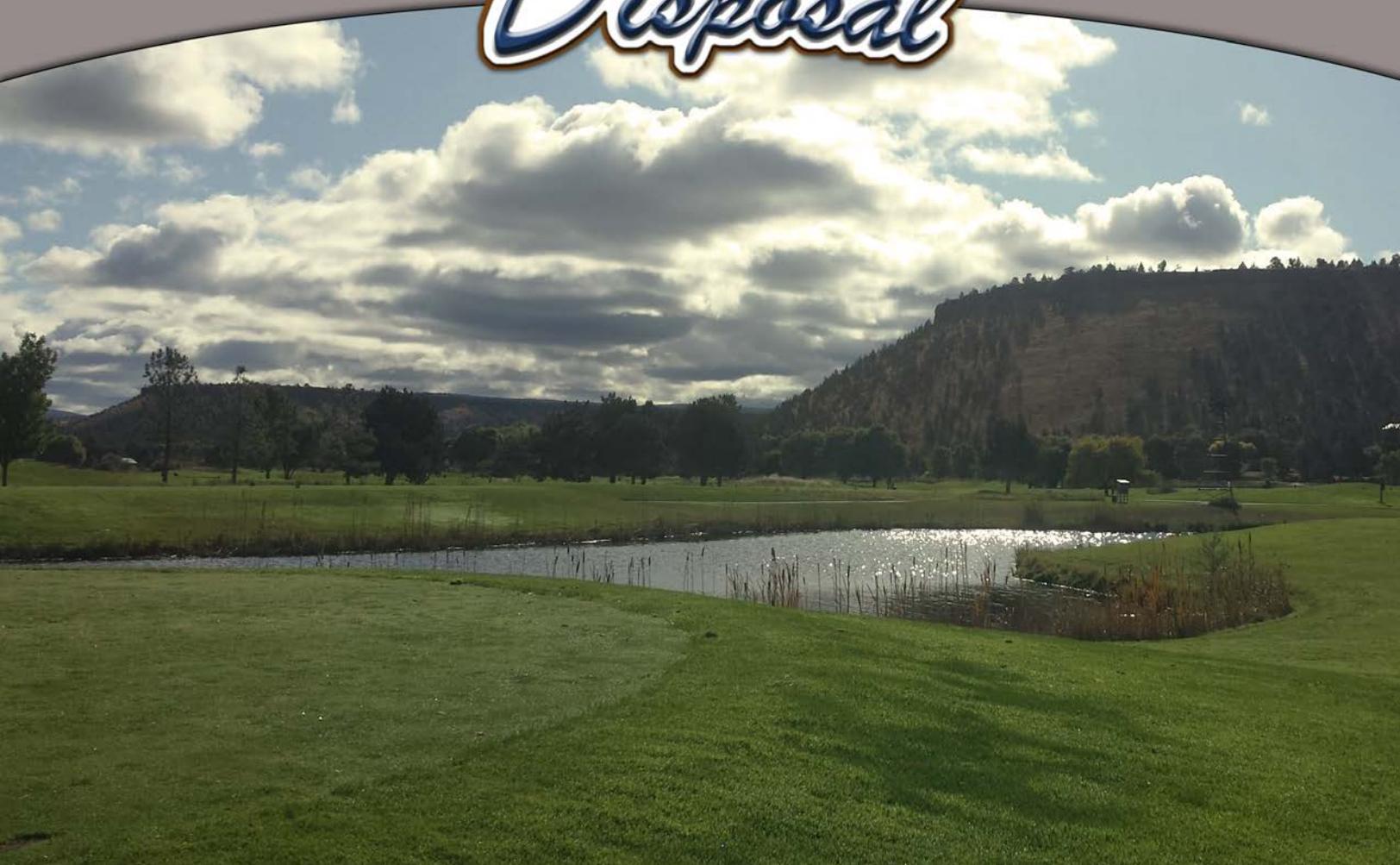
Resources



Requirements



Wastewater Disposal



Wastewater Disposal Executive Summary

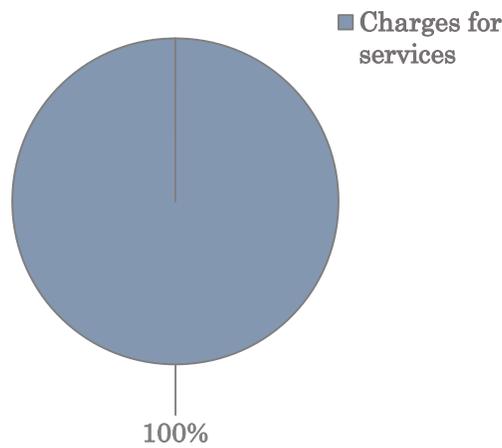
In 1988, the City of Prineville faced fines of up to \$25,000 per day if it did not find a way to dispose of the wastewater that was being discarded into the Crooked River. Since the City did not possess the capital to construct an expensive mechanical treatment facility, the US Environmental Protection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



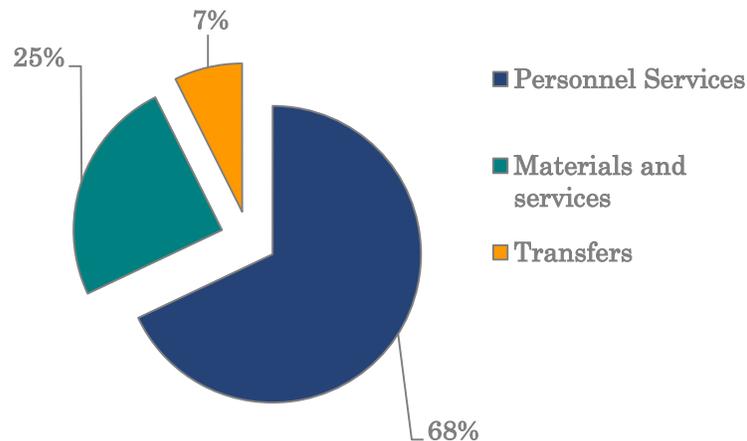
Wastewater Disposal Budget

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Revenue							
Charges for services	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000
Total revenue	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000
	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Personnel Services	\$ 318,761	\$ 300,267	\$ 294,900	\$ 292,800	\$ 305,700	\$ 305,700	\$ 305,700
Materials and services	103,620	97,159	114,300	100,300	110,900	110,900	110,900
Transfers	35,900	32,700	32,700	32,700	33,300	33,300	33,300
Total expenditures	\$ 458,281	\$ 430,126	\$ 441,900	\$ 425,800	\$ 449,900	\$ 449,900	\$ 449,900

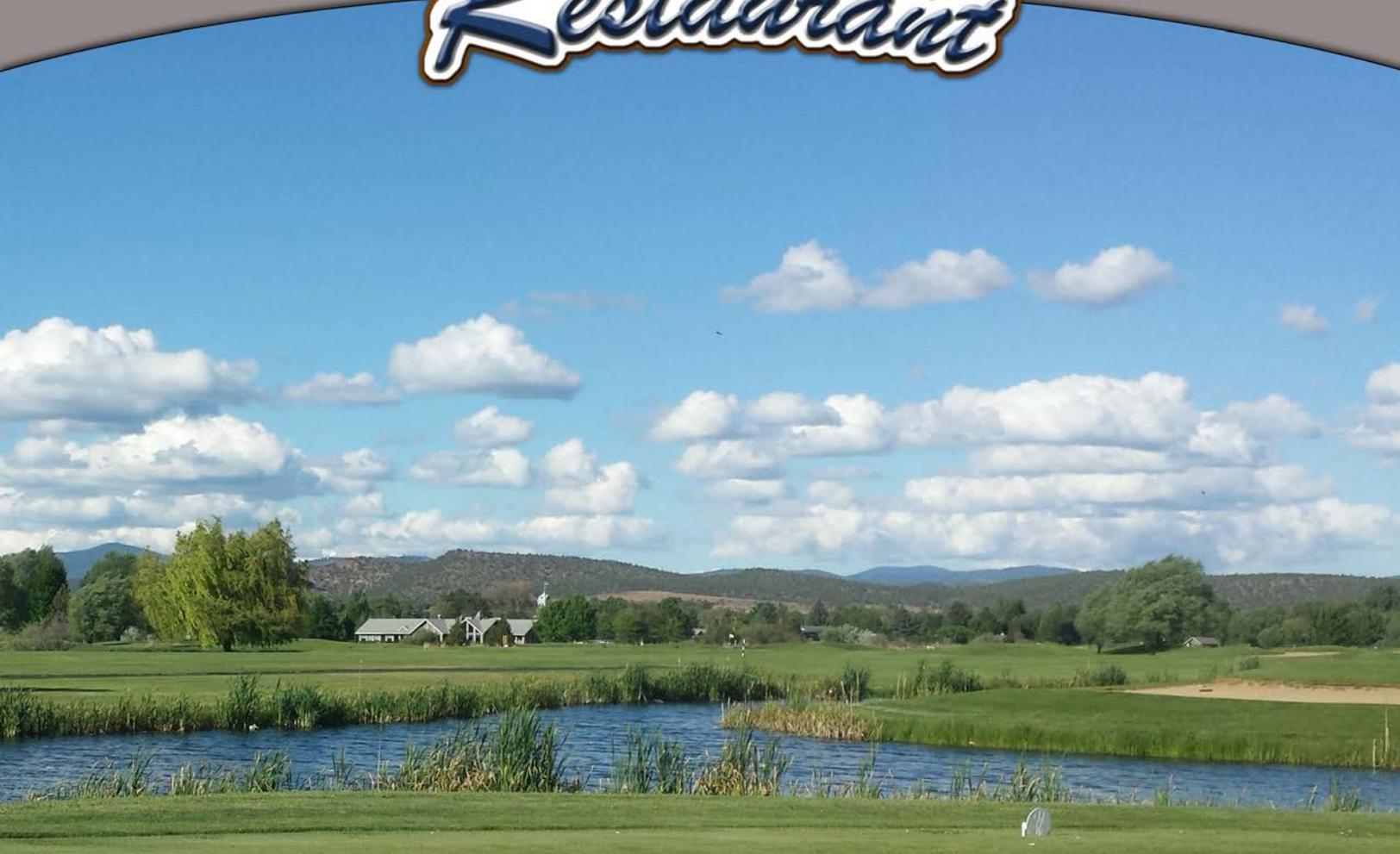
Resources



Requirements



Course Restaurant



Golf Course Restaurant Executive Summary

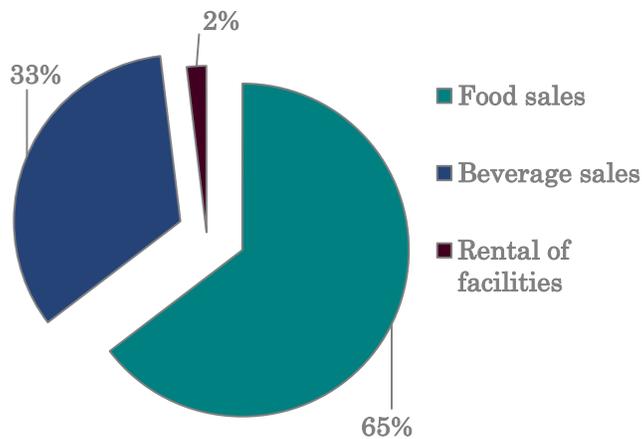
Meadow Lakes Restaurant is proud of its claim as being Central Oregon's best golf restaurant. The delicious food, coupled with a great atmosphere and spectacular views of the golf course and Crooked River, makes Meadow Lakes Restaurant one of Prineville's premiere dining destinations. The facility features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



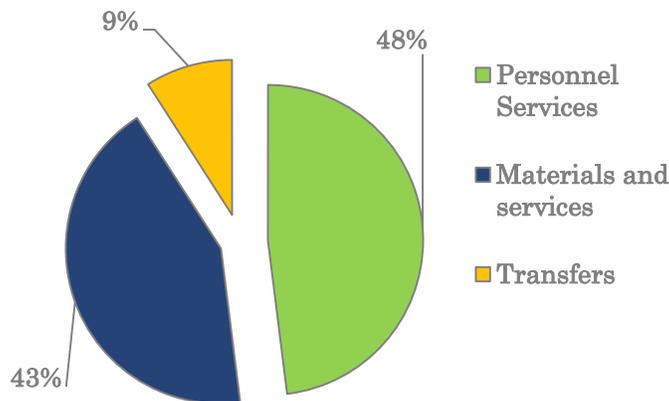
Restaurant Operations Budget

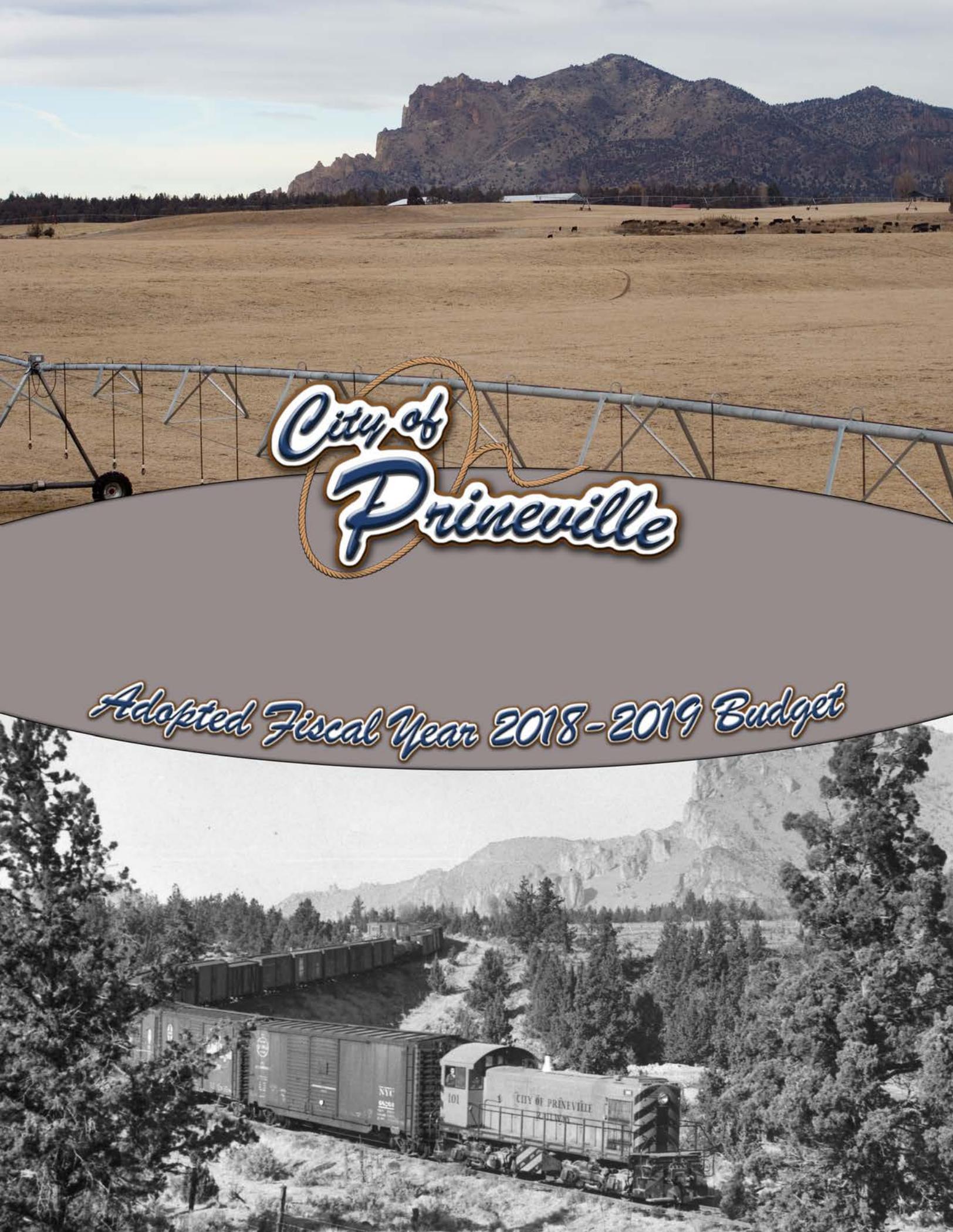
	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Revenue							
Food sales	\$ 264,507	\$ 257,965	\$ 285,000	\$ 255,000	\$ 285,000	\$ 285,000	\$ 285,000
Beverage sales	138,114	130,873	147,000	129,500	147,500	147,500	147,500
Rental of facilities	8,162	7,421	10,000	7,000	8,500	8,500	8,500
Total revenue	\$ 410,783	\$ 396,260	\$ 442,000	\$ 391,500	\$ 441,000	\$ 441,000	\$ 441,000
	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Personnel Services	\$ 228,586	\$ 232,717	\$ 255,000	\$ 259,800	\$ 261,900	\$ 261,900	\$ 261,900
Materials and services	227,225	221,207	250,700	216,800	234,000	234,000	234,000
Transfers	53,600	56,400	60,700	60,700	49,600	49,600	49,600
Total expenditures	\$ 509,411	\$ 510,325	\$ 566,400	\$ 537,300	\$ 545,500	\$ 545,500	\$ 545,500

Resources



Requirements





*City of
Prineville*

Adopted Fiscal Year 2018-2019 Budget





Internal Service Funds

Administration | Support Services Fund

Public Works Support Services Fund

Building Facilities | Property Fund

Plaza Maintenance Fund

Adopted Fiscal Year 2018-2019 Budget





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Administration | Financial Support Services Fund



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 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 328,700	\$ 415,880	\$ 434,380	\$ 433,455	\$ 499,855	\$ 499,855	\$ 499,855
Current year resources							
Charges for services	\$ 1,972,486	\$ 2,105,946	\$ 2,176,100	\$ 2,443,500	\$ 2,153,600	\$ 2,153,600	\$ 2,153,600
Interest	2,420	3,398	2,000	5,000	5,000	5,000	5,000
Total current year resources	\$ 1,974,906	\$ 2,109,344	\$ 2,178,100	\$ 2,448,500	\$ 2,158,600	\$ 2,158,600	\$ 2,158,600
Total resources	\$ 2,303,606	\$ 2,525,224	\$ 2,612,480	\$ 2,881,955	\$ 2,658,455	\$ 2,658,455	\$ 2,658,455

Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
City Council	\$ 74,837	\$ 73,648	\$ 86,200	\$ 85,800	\$ 88,200	\$ 88,200	\$ 88,200
Administration/team services	634,641	726,267	747,000	845,000	731,100	731,100	731,100
Financial services	678,625	717,151	839,100	834,300	853,400	853,400	853,400
Non-departmental	-	-	-	-	-	-	-
Information technology	499,623	574,702	623,300	617,000	638,900	638,900	638,900
Contingency			316,880	-	346,855	346,855	346,855
Total expenditures	\$ 1,887,726	\$ 2,091,769	\$ 2,612,480	\$ 2,382,100	\$ 2,658,455	\$ 2,658,455	\$ 2,658,455
Ending fund balance	\$ 415,880	\$ 433,455	\$ -	\$ 499,855	\$ -	\$ -	\$ -

Personnel

Administration/Financial Support Services Fund FTEs by Position FY 16 – 19					
	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Forecast	
City Manager	1.00	1.00	1.00	1.00	
City Recorder/Risk Manager	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	3.00	2.00	3.00	3.00	
Finance Assistant III	1.00	1.00	1.00	1.00	
Accounting Supervisor		1.00			
Accounting Manager			1.00	1.00	
IT Manager	1.00	1.00	1.00	1.00	
IT Specialist I	0.50	1.00		1.00	
IT Specialist II	1.00	1.00	1.00	1.00	
Human Resource Manager	1.00	1.00	1.00	1.00	
Procurement/Contract Administration	1.00	1.00	1.00		
Administration/Financial Support Services Fund Total	11.50	13.00	13.00	12.00	

For FY 19 the Contract/Procurement position changed to Public Works Projects Coordinator and was moved from Administration to Public Works Support Services.



City Council



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)
- Chamber of Commerce Board
- Downtown Strategic Planning Committee (City)
- Ironhorse / Barnes Butte Development Committee (City)
- Energy Facility Siting Commission (State – Governor appointed)
- Deschutes River Conservancy (Environmental)
- League of Oregon Cities General Governance and Transportation Committee (State)

The City Council is often invited to attend events, fundraisers and organization interests throughout the community and region.

The City Council and Budget Committee also decided to make contributions to other efforts throughout the community. Some of those would include contributing towards the annual fireworks display; the Prineville Senior Center; various 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.



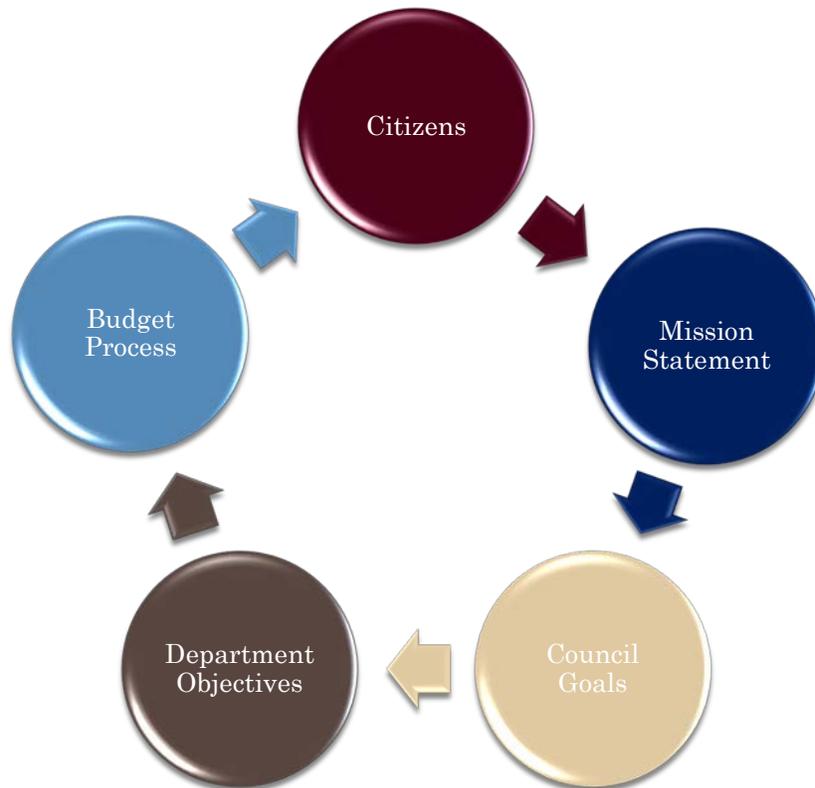
Mayor Betty Roppe with community members during Poppy Day's Proclamation. – Photo: Jason Chaney/Central Oregonian



Our City Council's Goals

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.

- 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 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Materials and services	\$ 36,237	\$ 33,148	\$ 44,500	\$ 44,100	\$ 45,200	\$ 45,200	\$ 45,200
Transfers	38,600	40,500	41,700	41,700	43,000	43,000	43,000
Total expenditures	\$ 74,837	\$ 73,648	\$ 86,200	\$ 85,800	\$ 88,200	\$ 88,200	\$ 88,200

Council Policies

This last year the Council formed a Governance Policy Committee to review council policies that had not been reviewed in over 10 years. The newly formed committee looks at the existing policies, compares them to other existing internal policies and makes recommendations to the full council for consideration. Council President Steve Uffelman, Councilor Jason Beebe and Councilor Jeff Papke serve on this committee and met for over a year going through each of the existing policies and eliminated redundant policies that were either repeated within the existing policies or covered by other policies or plans. With the change in technology and increasing popularity for use of social media to push out and receive information in our community, the committee saw the need to add a section to the policy for social media best practices. A workshop on social media was held by our City Council and facilitated by our media outreach consultant. The committee and council reviewed and adopted the draft policies in March 2018. Adoption of the new policies will enable more effective and efficient communication with our citizens and meets almost all of the council goals.

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 eighth 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-convener 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.

Term Expires: December 31, 2018





*Councilor Jason
Beebe*

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

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

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

Jason is married with five children.

Term Expires: December 31, 2020



*Councilor Gail
Merritt*

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

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

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

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

Term Expires: December 31, 2020





*Councilor Dean
Noyes*

Dean moved to Prineville in 2001 and his third child was born here that summer. Dean was involved in the construction industry in Central Oregon until making a move to banking in 2006 where he progressed to branch manager of what used to be the Prineville Bank. During those years he was very active with his kids in school district related matters and enjoyed working with the Crook County High School Booster Club and supporting Crook County athletics. The fall election of 2006 was his first run for a seat on City Council. Finishing that term he ran again in 2010 and at the conclusion of that term, retired his seat. In the winter of 2017, Dean took advantage of an opportunity to fill the position vacated by Councilman Jack Seeley and is currently filling that term which ends this year.

Dean works with safety and human resources for a Prineville trucking and construction company. He is very involved with his daughter's equestrian interests as well as maintaining his 12 year board position with the Crooked River Roundup with a special focus on horse racing.

With experience in construction as well as finance he enjoys his role with the City and the ability to both learn and contribute to this amazing community.

Term Expires: December 31, 2018



*Councilor Jeff
Papke*

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

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

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

Jeff is married to Christa and has two daughters.

Term Expires: December 31, 2018





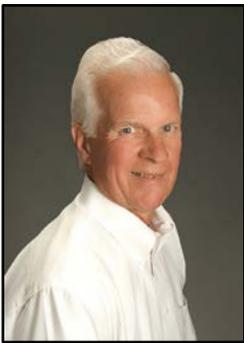
Councilor Teresa Rodriguez

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.

Term Expires: December 31, 2020



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.

Term Expires: December 31, 2018





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 19

Department Goals	City Council Goals
Maintain development 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
Update the 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

Executive Summary

The Finance Department is the central hub for all financial activities within the City's departments. It provides the City's financial accounting and reporting, auditing, budget preparation, long-range planning, cash and investment management, payroll, billings and collection, disbursement processing, risk management oversight, and grant coordination.

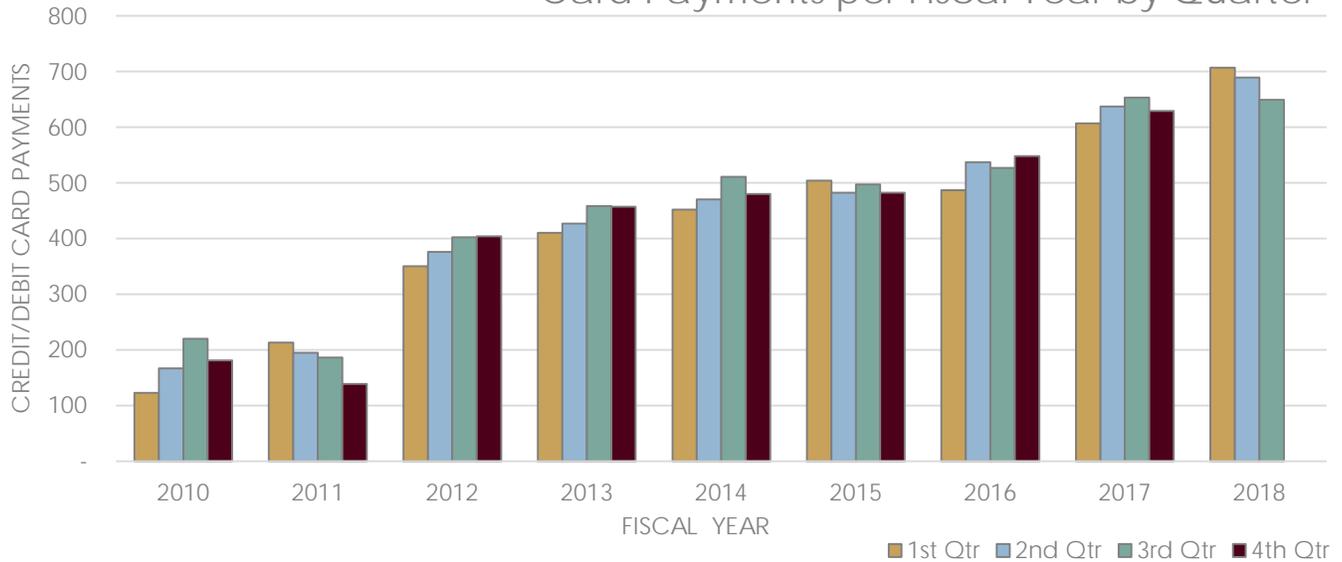
Accomplishments for FY 18

- Provided timely and accurate quarterly financial reports to the Prineville City Council
- Continued cross training in all areas of finance
- Maintained quality service at the front counter and phones
- Delivered consistent, accurate billing
- 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)
- Was awarded the Certificate of Achievement for Excellence in Financial Reporting Award from the GFOA with the submission of the City's comprehensive annual financial report (CAFR)
- Created an internal control manual
- Implemented Incode Version 10 utility, cash collection and accounts receivable software, finalizing the financial software conversion
- Maintained the City's credit rating of A+ through Standard and Poor's
- Implemented personalized financial workspaces for each of the department heads giving them easier access to their budget numbers and year-to-date numbers



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 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Personnel Services	\$ 441,060	\$ 433,057	\$ 542,300	\$ 566,100	\$ 586,400	\$ 586,400	\$ 586,400
Materials and services	204,365	249,194	260,800	232,200	229,900	229,900	229,900
Transfers	33,200	34,900	36,000	36,000	37,100	37,100	37,100
Total expenditures	\$ 678,625	\$ 717,151	\$ 839,100	\$ 834,300	\$ 853,400	\$ 853,400	\$ 853,400



Information Technology



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 19

Department Goals	City Council Goals
Deploy new first responder radio system infrastructure	Community Safety
Install human resources specific software	Strive to improve on transparency and effective communication
Deploy new communications site serving the Paulina area	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 websites, and manages the Prineville 911 fixed radio site infrastructure. This department provides support services to other functional departments and city staff so they can perform their daily responsibilities as well as additional projects. The City IT Department also supports the public safety network throughout Crook County and provides IT services to the police department, sheriff's office, parole and probation, jail, and fire and rescue. The IT Department also manages mobile data and communications systems across all public safety vehicle fleets, including public works. The department keeps all forms of communication within the City running efficiently, assists in grant writing and meetings, and much more. The IT Department continuously provides excellent support with a can-do attitude and keeps the City of Prineville on the cutting edge of technology.

Accomplishments for FY 18

- Deployed new mobile-friendly websites for the City of Prineville Wetlands.
- Replaced 911 center radio consoles with enhanced IP based equipment.
- Deployed new 911 telephone system to support TXT-2-911 and enhanced location services.
- Added parole and probation and the fire department to the City's telephone system, streamlining operations between public safety agencies and the 911 center.
- Converted the City's customer relations management (CRM) software suite to Incode Version 10, keeping the City's software up-to-date.
- Deployed new subscriber radios to first responders in law enforcement.
- Performed acquisition and up-fit of six new police department vehicles with the latest safety technology systems onboard.
- Extended public safety microwave network to Crook County Fire and Rescue.
- Managed the installation of lighting along two sections of bike path in the Ochoco Creek Park through partnership with the Prineville Police Department, public works, and the Crook County Parks and Recreation District.



A sampling of new Motorola radios deployed in 2018.



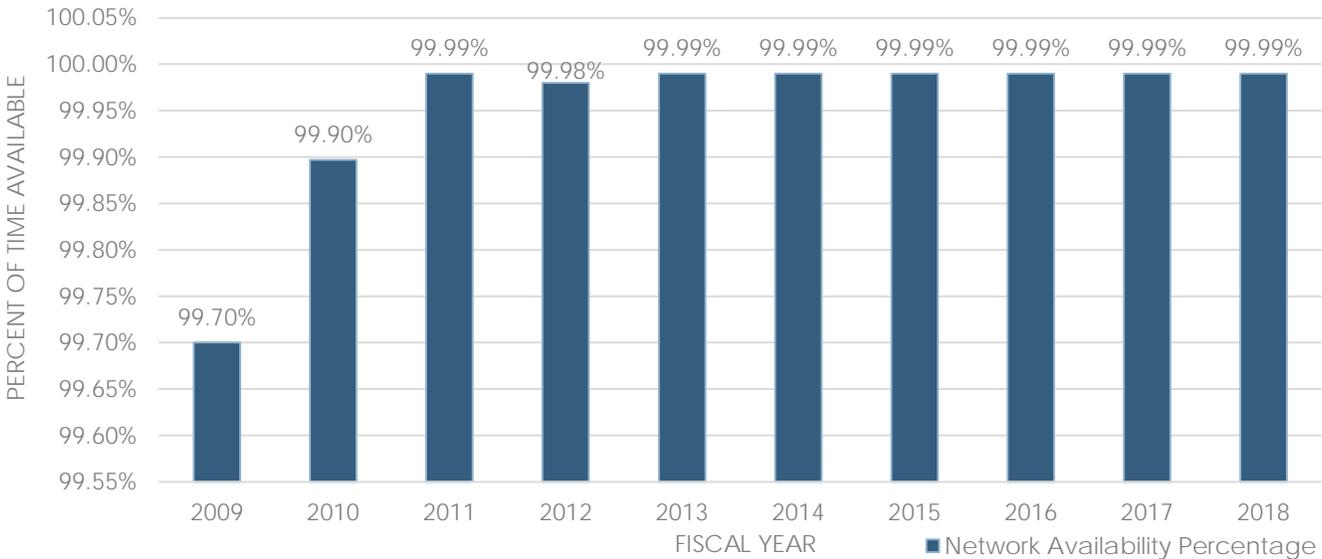
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Incode Version 10 Financial Software Upgrade Phase III	\$ 30,000	\$ 30,000
Radio Service Software Upgrade	\$ 20,000	\$ 20,000
Capital Outlay Total	\$ 50,000	\$ 50,000

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 85.

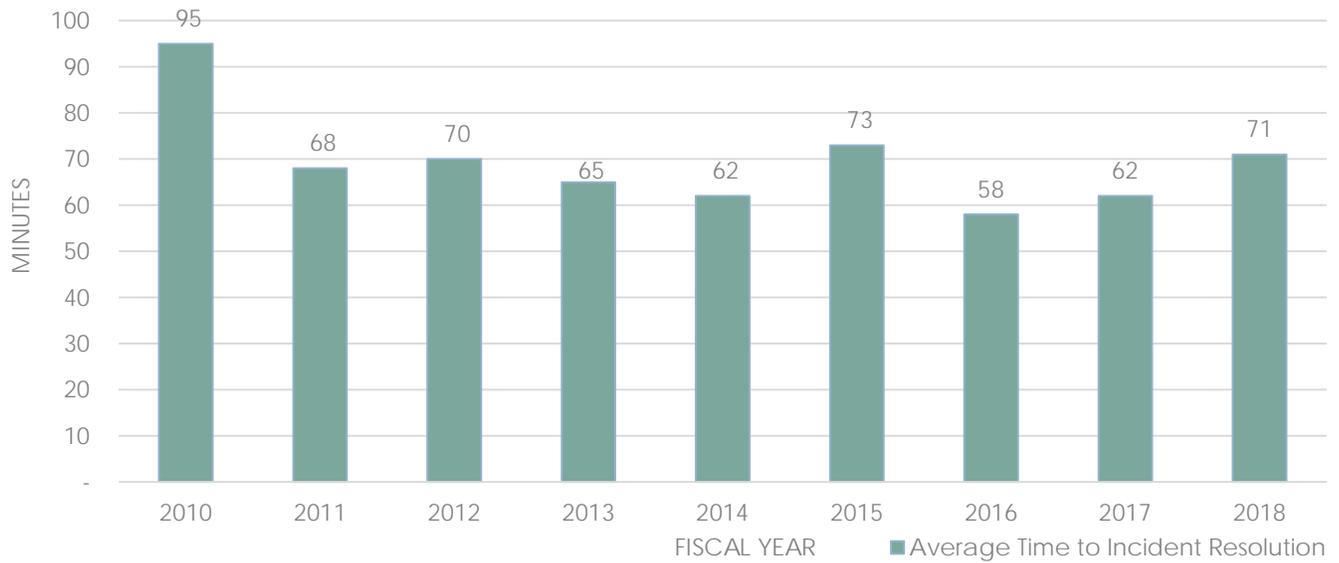


IT laying the foundations for new lighting and cameras in a nearby park.

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

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Personnel Services	\$ 209,740	\$ 260,182	\$ 278,600	\$ 244,400	\$ 304,700	\$ 304,700	\$ 304,700
Materials and services	258,287	261,314	255,500	283,400	269,500	269,500	269,500
Capital outlay							
Equipment	18,496	39,406	75,000	75,000	50,000	50,000	50,000
Transfers	13,100	13,800	14,200	14,200	14,700	14,700	14,700
Total expenditures	\$ 499,623	\$ 574,702	\$ 623,300	\$ 617,000	\$ 638,900	\$ 638,900	\$ 638,900



The IT Department conducted complete equipment installs in new 2018 Police Department vehicles.



Administration / Team Services



Administration / Team Services Responsibilities to the Community

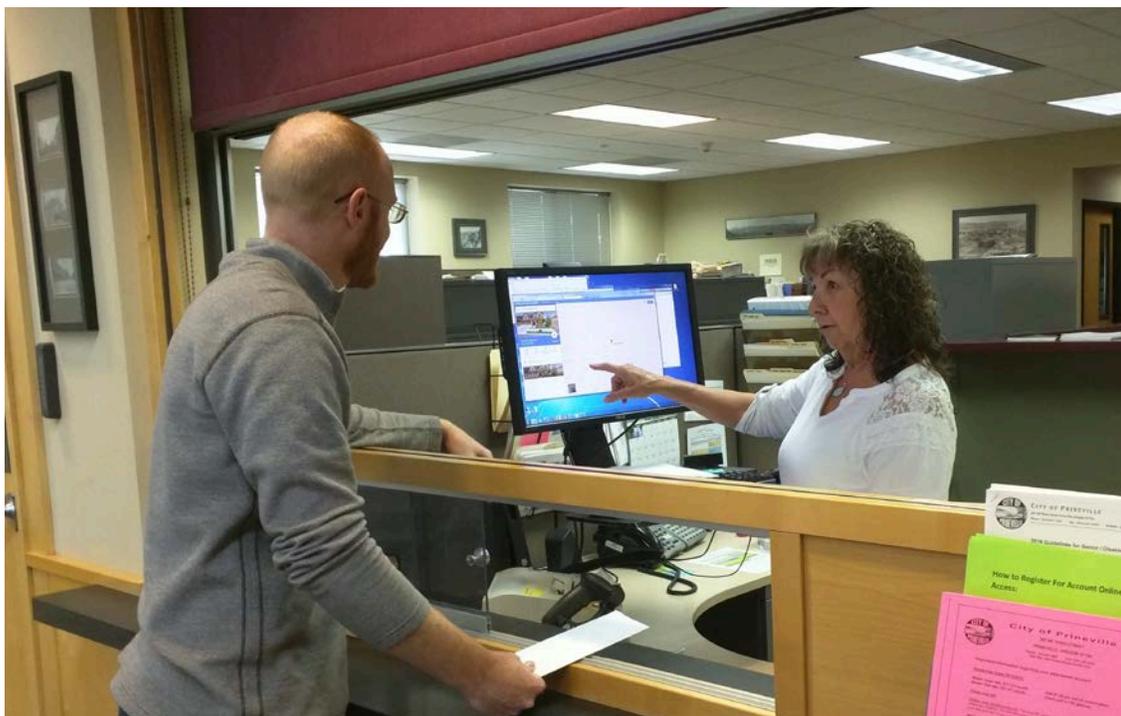
The City Manager is responsible for the city administration including implementation of City Council policies and goals, enforcement of ordinances and resolutions, supervision over department managers and employees, preparation of the budget, risk management and general management of the City's operations.

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 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 19

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 may need to adapt policies and procedures to comply with them	Strive to position the City to meet future demands of businesses and citizens
Development of a more robust safety committee and activities and maintain low incident rate	Strive to improve on transparency & effective communication / community safety / to be fiscally responsible in all we do



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



Executive Summary

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

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 18

- Continued to hire highly qualified employees with appropriate knowledge, skills, and abilities
- Encouraged continued professional development of valued team members
- Implemented identifying annual Safety Committee Goals.
- Implementing new methods of tracking safety committee actions to maintain focus, reporting capabilities, budgeting and achieving annual goals identified by the committee.
- 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.



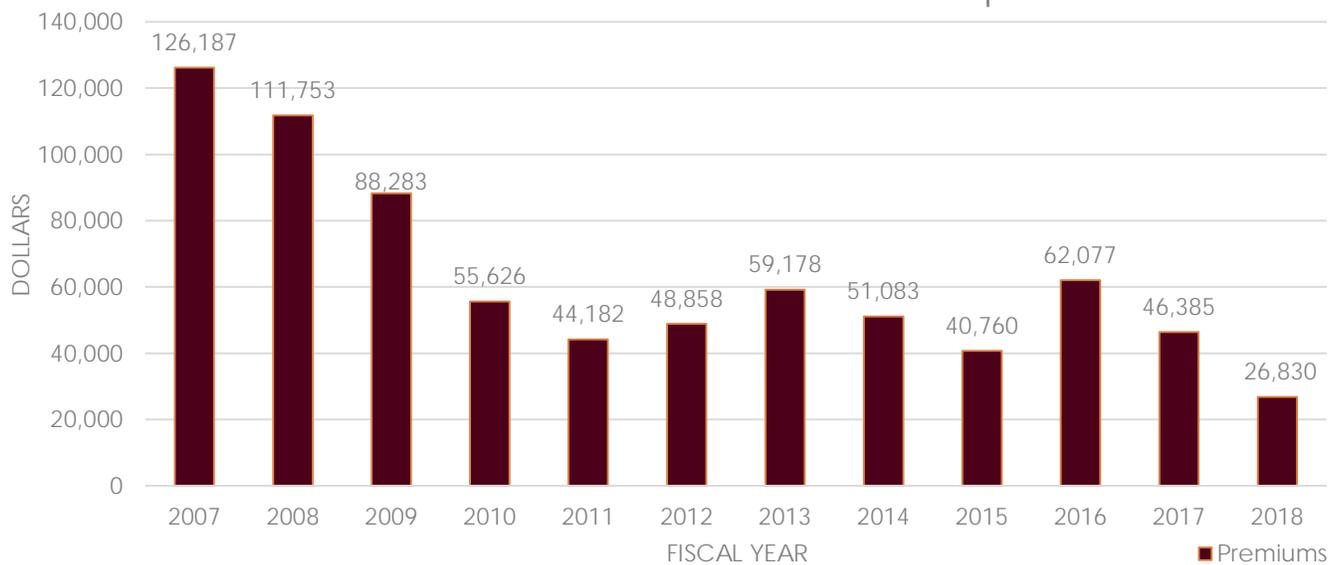
Chief Dale Cummins at his swearing-in ceremony with Mayor Betty Roppe and City Manager Steve Forrester.



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



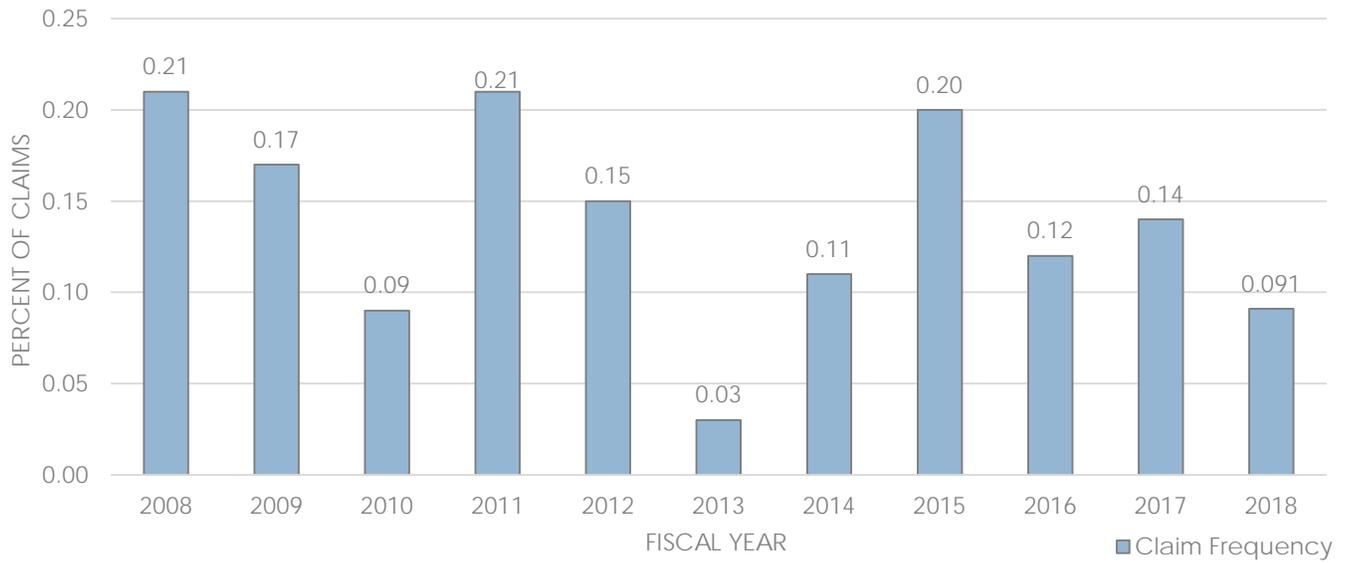
Our goal is to have all city employees able to return home safely at the end of the day to their loved ones and friends. The City continues working diligently to promote and maintain a culture of safety. The City began working with SAIF in 2004, and continues to strive for the improvement of claims frequency 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



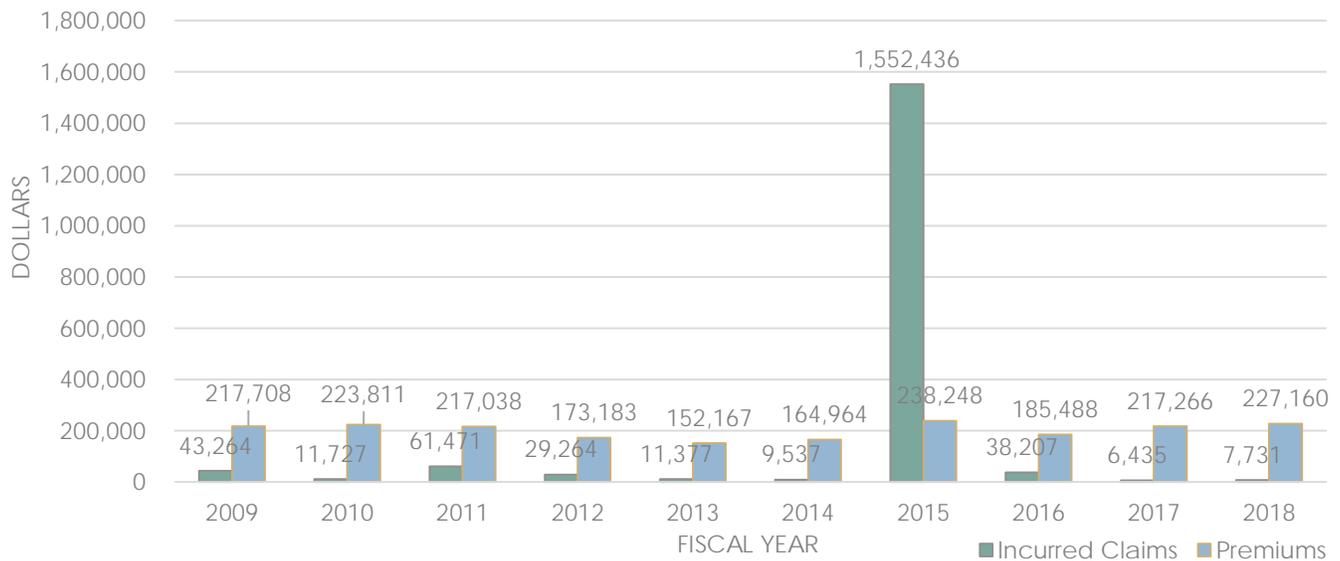
Experience Modification Rate Modification Rate per Calendar Year



The MOD rate for workers' compensation increased to 1.07 in for 2018.



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 down slightly at \$2,204.60 total loss, and one claim from three claims the prior year. 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 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

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Proposed Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Personnel Services	\$ 408,826	\$ 489,724	\$ 482,700	\$ 567,200	\$ 442,300	\$ 442,300	\$ 442,300
Materials and services	194,115	203,243	230,000	243,500	253,400	253,400	253,400
Transfers	31,700	33,300	34,300	34,300	35,400	35,400	35,400
Total expenditures	\$ 634,641	\$ 726,267	\$ 747,000	\$ 845,000	\$ 731,100	\$ 731,100	\$ 731,100



Public Works Support Services Fund



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 19

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 in 2017.



Accomplishments for FY 18

- 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 Prineville 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 the 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 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.



Jake Zeigler with Public Works getting ready to help on a street project.



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Pickup	\$ 40,000	\$ 40,000
Used Grader	\$ 140,000	\$ 140,000
Capital Outlay Total	\$ 180,000	\$ 180,000

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 85.

Performance Measures

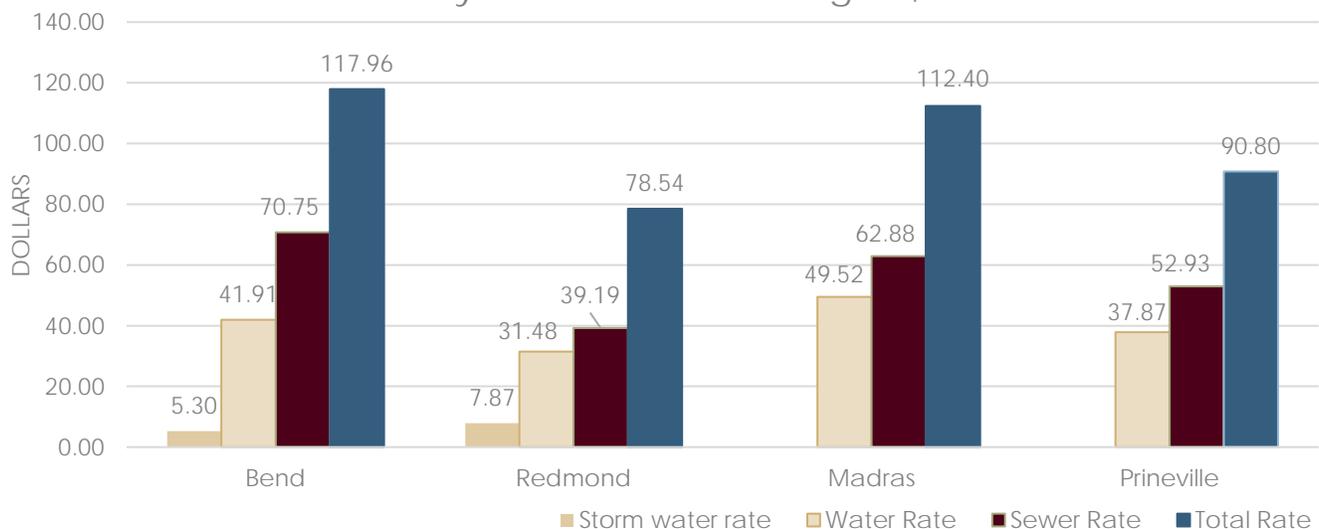
Utility Rates

For FY 19, both residential and commercial customers utilizing a three-quarter-inch meter will have their water base rates reduced by 5 percent. Commodity charges will increase by 2 percent. The average residential customers will experience a 3 to 4 percent rate reduction with customers using less water experiencing greater savings. Residential customers utilizing meters greater than a three-quarter inch (approximately 1.25 percent of customers) will see increases in their base rate to reflect the larger meter capacity as defined by the American Water Works Association. Commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. Over the course of the next three fiscal years, commercial base water rate charges will be reduced and included consumption for commercial accounts will be eliminated.

Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. Base wastewater rates will be reduced by 5 percent while commodity charges will increase by 12.5 percent. For residential and small commercial customers, monthly rates will be reduced from \$55.72 to \$52.93. Large commercial customers will experience a base rate reduction from \$136.33 to \$52.93 and included production will be reduced from 30 units to 5 units. Five units is the average sewer production from a residential home.

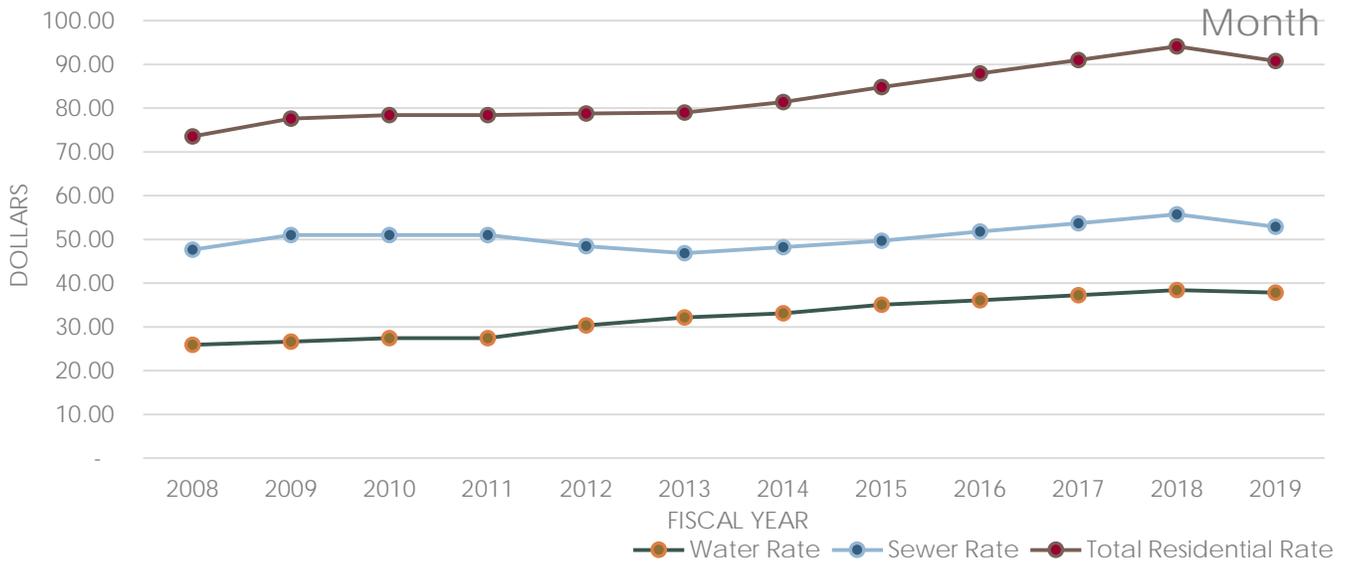
The graph below compares the City's residential rate (using a metric of 7,500 gallons per month) with other communities in the Central Oregon region.

Regional Utility Rate Comparison Rates by Fiscal Year - 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 with a first grade student of Barnes Butte Elementary School and steward of the Crooked River Wetlands.



Public Work Support Services Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Beginning fund balance	\$ 345,609	\$ 323,665	\$ 298,765	\$ 302,675	\$ 274,875	\$ 274,875	\$ 274,875
Charges for services	1,424,684	1,565,108	1,614,500	1,714,500	1,828,300	1,828,300	1,828,300
Interest	2,009	2,500	2,000	2,800	3,000	3,000	3,000
Miscellaneous	70,875	30,854	21,500	24,500	34,500	34,500	34,500
Debt proceeds	164,325	-	-	-	-	-	-
Total current year resources	\$ 1,661,893	\$ 1,598,462	\$ 1,638,000	\$ 1,741,800	\$ 1,865,800	\$ 1,865,800	\$ 1,865,800
Total resources	\$ 2,007,502	\$ 1,922,127	\$ 1,936,765	\$ 2,044,475	\$ 2,140,675	\$ 2,140,675	\$ 2,140,675

Expenditures	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Public Works Support Services	\$ 1,183,018	\$ 1,312,221	\$ 1,399,500	\$ 1,427,100	\$ 1,544,900	\$ 1,544,900	\$ 1,544,900
Public Works Fleet & Vehicles	470,370	307,231	310,500	342,500	345,500	345,500	345,500
Public Works Facilities	30,449	-	-	-	-	-	-
Contingency	-	-	226,765	-	250,275	250,275	250,275
Total expenditures	\$ 1,683,837	\$ 1,619,453	\$ 1,936,765	\$ 1,769,600	\$ 2,140,675	\$ 2,140,675	\$ 2,140,675
Ending fund balance	\$ 323,665	\$ 302,675	\$ -	\$ 274,875	\$ -	\$ -	\$ -

Personnel

Public Works Support Services Fund FTEs by Position FY 16 – 19					
	FY 16 Actual	FY 17 Actual	FY 18 Forecast	FY 19 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	1.00	1.00	1.00	1.00	
Public Works Projects Coordinator	-	-	-	1.00	
Administrative Technician	1.00	-	-	-	
Mechanic	1.00	1.00	1.00	1.00	
Utility Worker	7.00	8.00	8.00	8.00	
Public Works Support Services Fund Total	12.00	12.00	12.00	13.00	

For FY 19 the Contract / Procurement position changed to Public Works Projects Coordinator and moved from Administration to Public Works Support Services.



Public Work Support Services

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Personnel Services	\$ 1,141,378	\$ 1,227,470	\$ 1,307,300	\$ 1,338,400	\$ 1,452,800	\$ 1,452,800	\$ 1,452,800
Materials and services	36,640	37,151	43,300	39,800	41,800	41,800	41,800
Transfer	5,000	47,600	48,900	48,900	50,300	50,300	50,300
Total expenditures	\$ 1,183,018	\$ 1,312,221	\$ 1,399,500	\$ 1,427,100	\$ 1,544,900	\$ 1,544,900	\$ 1,544,900

Fleet Maintenance and Operations

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Material and services	\$ 81,969	\$ 132,332	\$ 126,000	\$ 126,000	\$ 131,000	\$ 131,000	\$ 131,000
Capital outlay	353,900	138,243	150,000	182,000	180,000	180,000	180,000
Debt service							
Principal							
Capital lease - street sweeper 2016	34,501	36,656	34,500	34,500	34,500	34,500	34,500
Interest							
Capital lease - street sweeper 2016							
Total expenditures	\$ 470,370	\$ 307,231	\$ 310,500	\$ 342,500	\$ 345,500	\$ 345,500	\$ 345,500

Public Works Building

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Material and services	\$ 30,449		\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-					
Total expenditures	\$ 30,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Moved to the Building Facilities/Property Fund FY 17.



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



Building Facility / Property Fund



Building Facilities / Property Fund Responsibilities to the Community

The purpose of the Building Facilities Fund is to account for the use, maintenance, and improvements of all governmental buildings and facilities in the City of Prineville. The facilities are managed to recover full costs, including replacement costs through transfers from related funds. Operating expenses, debt service and replacement funds are accounted for within this fund.

Prineville City Hall is utilized by a variety of departments including the Prineville City Council and the Administration, Team Services, Finance, Information Technology, and Planning Departments.

The police facility budget pays for the utilities and maintenance of the building used by the Prineville Police Department and the 911 Emergency Dispatch Center. The City is currently looking at options to relocate the dispatch center, which would greatly diminish the need for critical improvements. This would allow the City to make fiscally responsible improvements to the building, and continue to use the city-owned property for police operations. The FY 19 budget includes debt proceeds for upgrades to the building.

The City of Prineville Public Works Facility is located at 1233 NW Lamonta Road. This central facility supports the Water, Wastewater and Transportation Operations Departments. The 4.2-acre site is home to



the public works office, breakroom, shop and various sheds that house the public works fleet. Aggregate, cinders and traffic control devices are stored here, which allow the public works team to quickly respond whenever issues arise.

The Barnes Butte property was recently purchased and is 460 acres of open space within the eastern bounds of the city limits. This land is located adjacent to several high-density neighborhoods and the new 700-student Barnes Butte Elementary School.

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Police Facility		
Police Facility Structural Remodel	\$	\$ 1,750,000
Barnes Butte		
Improvements	\$	\$ 75,000
Capital Outlay Total	\$	\$ 1,825,000

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 85.

Building Facilities / Property Fund Budget

Resources	Actual	Actual	Current	Proposed	Approved	Adopted	
	FY 15-16	FY 16-17	Budget FY 17-18	Estimates FY 17-18	Budget FY 18-19	Budget FY 18-19	Budget FY 18-19
Beginning fund balance	\$ 169,198	\$ 177,067	\$ 232,747	\$ 249,058	\$ 209,358	\$ 209,358	\$ 209,358
Current year resources							
Rent	\$ 187,300	\$ 192,900	\$ 198,700	\$ 198,700	\$ 204,900	\$ 204,900	\$ 204,900
Intergovernmental			\$ 1,250,000		\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
Misc income	981	1,878	1,000	3,000	2,500	2,500	2,500
Interest	5,197	14,342	11,000	6,600	6,500	6,500	6,500
Transfers	0	166,300	177,600	377,600	504,000	504,000	504,000
Debt proceeds			1,709,000	1,208,000	500,000	500,000	500,000
Total current year resources	\$ 193,478	\$ 375,420	\$ 3,347,300	\$ 1,793,900	\$ 2,467,900	\$ 2,467,900	\$ 2,467,900
Total resources	\$ 362,676	\$ 552,487	\$ 3,580,047	\$ 2,042,958	\$ 2,677,258	\$ 2,677,258	\$ 2,677,258
Expenditures							
City Hall Facilities	\$ 185,609	\$ 201,151	\$ 1,522,300	\$ 1,512,700	\$ 213,900	\$ 213,900	\$ 213,900
Police Facilities	-	67,986	1,873,300	71,800	1,872,900	1,872,900	1,872,900
Public Works Facilities	-	34,292	39,000	39,500	39,500	39,500	39,500
Barnes Butte Property				209,600	231,300	231,300	231,300
Contingency			145,447		206,758	206,758	206,758
Total expenditures	\$ 185,609	\$ 303,429	\$ 3,580,047	\$ 1,833,600	\$ 2,564,358	\$ 2,564,358	\$ 2,564,358
Other requirements							
Reserve City Hall Facilities	\$ -	\$ -	\$ -	\$ -	\$ 112,900	\$ 112,900	\$ 112,900
Ending fund balance	\$ 177,067	\$ 249,058	\$ -	\$ 209,358	\$ -	\$ -	\$ -



City Hall Facilities

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Materials and services	71,679	87,264	92,300	93,800	91,000	91,000	91,000
Debt service							
Principal							
USDA - 2005/Refunding 2017	43,790	45,651	1,358,000	1,349,400	67,000	67,000	67,000
Interest							
USDA - 2005/Refunding 2017	60,140	58,236	62,000	59,500	45,900	45,900	45,900
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total expenditures	\$ 185,609	\$ 201,151	\$ 1,522,300	\$ 1,512,700	\$ 213,900	\$ 213,900	\$ 213,900



The front of the Prineville's city hall building as seen from across NE 3rd Street.



Police Facilities

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 15-16	FY 16-17	Budget FY 17-18	FY 17-18	Budget FY 18-19	Budget FY 18-19	Budget FY 18-19
Material and services	\$ -	\$ 67,986	\$ 73,300	\$ 71,800	\$ 72,900	\$ 72,900	\$ 72,900
Capital outlay	\$ -	\$ -	\$ 1,750,000	\$ -	\$ 1,750,000	\$ 1,750,000	\$ 1,750,000
Debt service							
Principal							
Debt Service - 2018			\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Interest							
Debt Service - 2018							
Total expenditures	\$ -	\$ 67,986	\$ 1,873,300	\$ 71,800	\$ 1,872,900	\$ 1,872,900	\$ 1,872,900



Prineville Police Department and Crook County Sheriff's Office officers standing in front of the police department building on May 2018.



Public Works Facilities

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 15-16	FY 16-17	Budget FY 17-18	FY 17-18	Budget FY 18-19	Budget FY 18-19	Budget FY 18-19
Material and services	\$ -	\$ 34,292	\$ 39,000	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500
Capital outlay	\$ -	\$ -	\$ -				
Total expenditures	\$ -	\$ 34,292	\$ 39,000	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500



Thick snow from a 2017 snow falls off one of the public works buildings after melting in the sunlight.



Barnes Butte Property

	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
Expenditures							
Material and services	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,300	\$ 6,300	\$ 6,300
Capital outlay	\$ -	\$ -	\$ -	\$ 53,600	\$ 75,000	\$ 75,000	\$ 75,000
Debt service							
Principal							
BOTC - 2017			\$ -	\$ 127,900	\$ 128,700	\$ 128,700	\$ 128,700
Interest							
BOTC - 2017				\$ 22,100	\$ 21,300	\$ 21,300	\$ 21,300
Total expenditures	\$ -	\$ -	\$ -	\$ 209,600	\$ 231,300	\$ 231,300	\$ 231,300



Birds of prey

Braun and beauty in the skies of Central Oregon



We share the Barnes Butte Recreational Area with abundant wildlife. The butte and surrounding grasslands provide ample nesting areas and feeding grounds for a number of raptors also known as birds of prey. As a visitor to the area, it is important to know that raptors are vulnerable to human disturbance, particularly during the nesting period. The red-tailed hawk, the golden eagle, and prairie falcon are three species that are easy to see soaring in the sky and attending to their nests. Be aware that wild animals, such as these large birds, can be very protective of their offspring if provoked. Please keep your distance from nests, stay on marked trails and keep your pet on a leash at all times.



The students of Barnes Butte Elementary (pictured above) are taking advantage of the learning opportunities that having access to the land provides. The fifth grade class is helping develop the kiosks for the park. So far, kiosks for birds of prey (pictured to the left) and the geology of Barnes Butte (pictured to the right) were created.

Geology of Barnes Butte

Created by a cataclysm



The beauty of the Barnes Butte Recreational Area was born in the making. The landscape you see around you was once part of an 21 mile-wide caldera, caused by a massive eruption and collapse of the volcano's magma chamber nearly 30 million years ago. Wind and water erosion sculpted the region and left the butte how we see it today - a 500-foot high rhyolite dome with rocky canyons and columns.



Thanks for visiting Barnes Butte Recreational Area. Find out more about the park and its resources.

Thanks for visiting Barnes Butte Recreational Area. Find out more about the park and its resources.



Plaza Maintenance Fund



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 intergovernmental agreement. After a revision occurred in the agreement, the City assumed the accounting responsibility for maintenance of the plaza starting in FY 13. Revenues are generated through a transfer from the City, with matching monies from the County. Expenditures are for maintaining the landscaping, sidewalks and lighting.



Plaza Maintenance Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 17-18	Estimates FY 17-18	Proposed Budget FY 18-19	Approved Budget FY 18-19	Adopted Budget FY 18-19
	\$ 43,215	\$ 29,052	\$ 32,852	\$ 28,705	\$ 39,905	\$ 39,905	\$ 39,905
Current year resources							
Intergovernmental	\$ 10,000	\$ -	\$ 10,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000
Charges for services	\$ 10,255	\$ -					
Other revenue	155	191	100	400	400	400	400
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total current year resources	\$ 30,410	\$ 10,191	\$ 20,100	\$ 30,400	\$ 20,400	\$ 20,400	\$ 20,400
Total resources	\$ 73,625	\$ 39,243	\$ 52,952	\$ 59,105	\$ 60,305	\$ 60,305	\$ 60,305
Expenditures							
Materials and services	40,873	6,838	15,900	15,500	14,000	14,000	14,000
Transfers	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Contingency			33,352	-	42,605	42,605	42,605
Total expenditures	\$ 44,573	\$ 10,538	\$ 52,952	\$ 19,200	\$ 60,305	\$ 60,305	\$ 60,305
Ending fund balance	\$ 29,052	\$ 28,705		\$ 39,905			



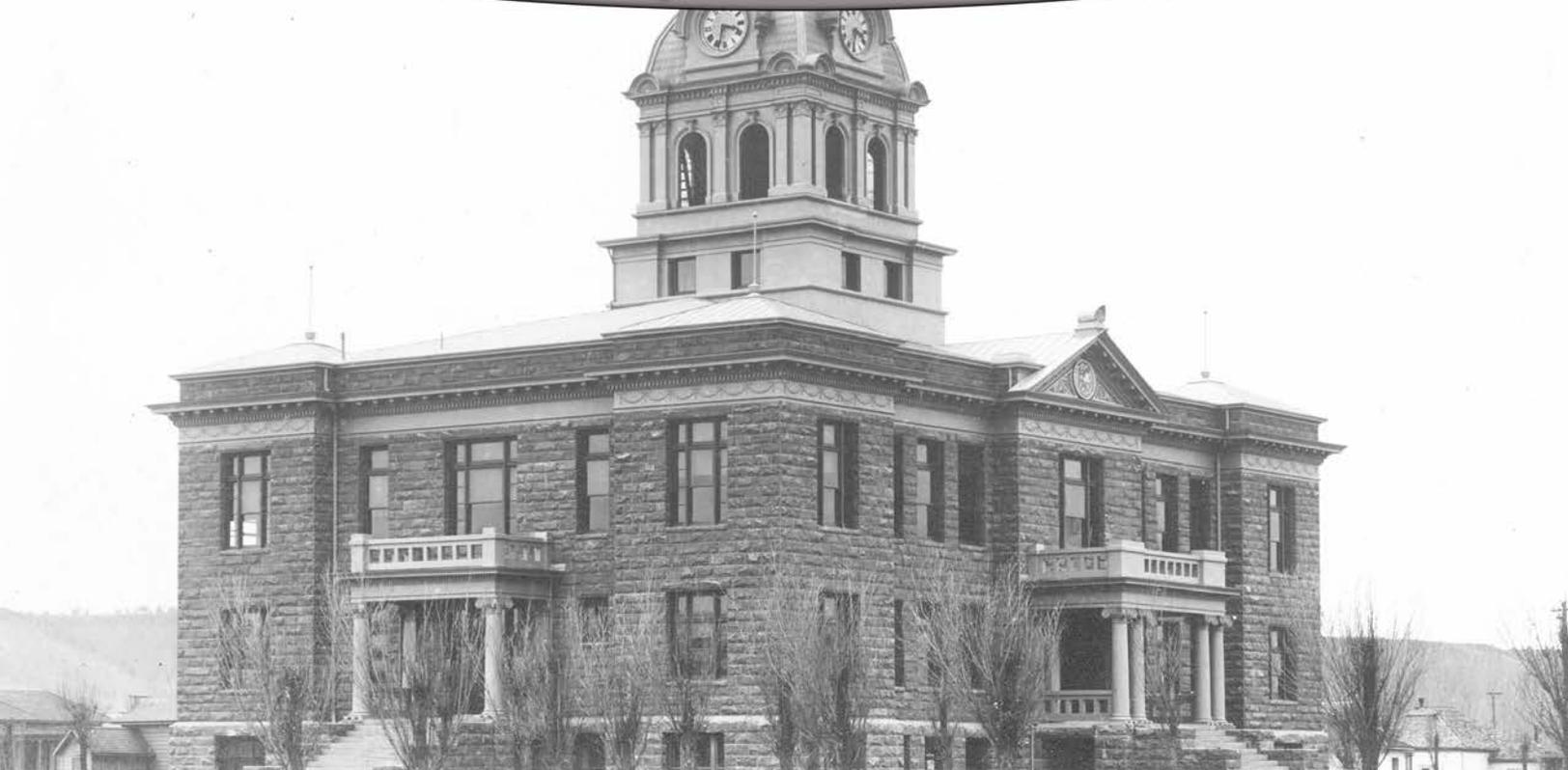
The plaza as seen at night after the IT Department completed a LED light retrofit of the existing poles in 2018.





*City of
Prineville*

Adopted Fiscal Year 2018-2019 Budget





Glossary

Adopted Fiscal Year 2018-2019 Budget



Glossary of Terms

Accrual

Adjustments to revenues that have been earned but are not yet recorded in the accounts, and to expenses that have been incurred but are not yet recorded in the accounts. Accruals need to be added via adjusting entries so that the financial statements report these amounts.

Actual

Actual, as used in the fund summaries, revenue summaries, and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a budgetary basis, and thus excludes depreciation and amortization and includes principal payments on debt.

Ad Valorem Tax

A tax based on the assessed value of a property.

Adopted Budget

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by city council. Adopted budget becomes effective July 1. Subsequent to adoption; council may make changes throughout the year.

Amortization

The process of paying off debt through a series of fixed payments over time.

Approved Budget

Approved, as used in the fund summaries, revenue summaries, represents the proposed budget with changes made by the budget committee, if any.

Appropriations

Legal authorization granted by the City Council to spend public funds. Appropriations within each program may not be exceeded.

Assessed Valuation

The value set on taxable property as a basis for levying property taxes. A tax initiative passed in 1997 that reduced AV below real market value and set a three percent maximum annual growth rate in the AV, exclusive of certain improvements.

Assets

Resources having a monetary value and that are owned or held by an entity.

Audit

A report prepared by an external auditor. As a rule the audit shall contain a statement of the scope of the audit, explanatory comments concerning exceptions of the auditor as to the applicant on generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, and sometime statistical tables, supplemental comments and recommendations.

Balanced Budget

A budget where total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service, and any other requirements such as debt service reserves.

Base Budget

Cost of continuing the existing levels of service in the current budget year. Base budget is also referred to as a status quo budget.

Beginning Balance

The beginning balance is the residual non-restricted funds brought forward from the previous financial year (ending balance).

Bond or Bond Issue

Bonds are debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Bond Funds

Established to account for bond proceeds to be used only for approved bond projects.

Budget

A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a 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).

Governmental Fund

Functions that are typical of government are accounted for in governmental funds. An example of this would include police or emergency dispatch.

Infrastructure

Public domain fixed assets such as roads, bridges, streets, sidewalks, and similar assets that are immovable.

Indirect Charges

In support of an operating program, these administrative costs that are incurred in the General Fund or Planning Fund. These charges are budgeted as interfund transfers.

Indirect Cost Allocation

Funding transferred to the General Fund and Planning Fund from other funds for specific administrative functions, which benefit those funds.



Interfund Transfers

Appropriation category used in the City's budget resolution which includes amounts distributed from one fund to pay for services provided by another fund. Transfers from the other funds appear as non-departmental expenditures called "Interfund Transfers".

Intergovernmental Revenues

Levied by one government, but shared on a predetermined basis with another government or class of governments.

Job Access/Reverse Commute

Grant funds available to help with operating costs of equipment, facilities, and associated expenses related to providing access to jobs.

Levy

Gross amount of property taxes imposed on taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item Budget

The traditional form of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Local Budget Law

Oregon Revised Statutes (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Improvement District

Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Local Option Levy

Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 10 years,

depending on the purpose of the levy. A local option levy must be approved by a majority of voters at a general election or an election with a 50 percent voter turnout.

Major Fund

Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

Materials and Services

Expendable items purchased for delivery and city services. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Measure 5

In November 1990, State of Oregon voters passed a constitutional limit on property taxes. The new law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-school taxing jurisdictions. Schools' maximum rate is limited to \$15 in FY 1991-92 with a phased in reduction to \$5 in FY 1995-96.

Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rates provided a majority approves at either (1) a general election in an even numbered year; or (2) at any other election in which at least 50 percent of registered voters cast a ballot.

Mission

Defines the primary purpose of the City and is intended to guide all organizational decisions, policies and activities (internal and external) on a daily basis.

Non-operating Budget

Part of the budget composed of the following items: Interfund transfers, reserves, contingencies, capital projects, and debt service payments.



Objective

A target to be accomplished in specific, well-defined and measurable terms, and that is achievable within a specific time frame.

Operating Budget

The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Revenue

Funding received by the government as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative decree enacted by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time which resulted from the borrowing of money or from the purchase of goods and services.

Performance Measure

Data collected to determine how effective or efficient a program is in achieving its objectives.

Permanent Tax Rate

Under Measure 50, each school district, local government, and special district was assigned a permanent tax rate limit in fiscal year 1998. This permanent rate applies to property taxes for operations.

Personnel Services

The salaries and wages paid to employees, in addition to the City's contribution for fringe benefits such as retirement, social security, and health and workers' compensation insurance.

Property Tax

Based according to assessed value of property and is used as the source of monies to pay general obligation debt and to support the General Fund.

Project Manager

An individual that is responsible for budgeting for a project and managing project to its completion.

Proposed Budget

A financial document that combines operating, non-operating and resource estimates prepared by the city manager, which is submitted to the public and the budget committee for review and approval.

Resolution

A special or temporary order of a legislative body requiring city council action.

Resources

Total of revenues, interfund transfers in and beginning fund balance.

Retained Earnings

An equity account that reflects the accumulated earning of an enterprise or internal service fund.

Revenue

Funds received by the City from either tax or non-tax sources.

Revenue Bonds

Bonds payable from a specific source of revenue, which does not pledge the taxing authority of the issuer. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Special Assessment

A compulsory levy made against certain properties to defray part of the cost of a capital improvement or service deemed to be beneficial primarily to those properties. (Also see Local Improvement District)

Special Assessment Bond

A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements such as sidewalks, roads, or sewer systems.

Special Revenue Funds

A fund established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.



Supplemental Budget

Appropriations established to meet needs not anticipated at the time the budget was originally adopted. A supplemental budget cannot increase the tax levy.

System Development Charges

Charges paid by developers and builders to fund expansion of infrastructure systems necessary due to increased usage. Such charges are collected for water, sewer, storm drains, streets, and parks and are paid by developers and builders as part of the permit process.

Tax Levy

The total amount of property taxes needed to pay for General Fund operations and for principal and interest on bonds.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation.

Tax Revenue

Includes property taxes, hotel and motel room tax.

Tax Roll

The official list showing the amount of taxes levied against each property.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Transfers

An authorized exchange of cash or other resources between funds.

Trust Funds

A fund established to administer resources received and held by the City as the trustee or agent for others. Uses of these funds facilitate the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unappropriated Ending Fund Balance

An account which records a portion of the fund balance. It must be segregated for future use and

is not available for current appropriation or expenditure.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose. It is available for general appropriation.

Unrestricted General Capital Fund

Established to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

User Fees

The fee charged for services to the party or parties who directly benefits. They are also referred to as Charges for Service.

Working Capital

Capital used for day-to-day operations, calculated as the current assets minus the current liabilities.

Acronyms

ACMP Advisory Community for Master Planning
ADA Americans with Disabilities Act
APA American Planning Association
ARRA American Recovery and Reinvestment Act
ATV All-Terrain Vehicle
AV Assessed Value
AWOS Automated Weather Observation System
BLM Bureau of Land Management
BMP Bridge Management Plan
BPA Bonneville Power Administration
CAD Computer-Aided Dispatch
CAFR Comprehensive Annual Financial Report
CCF&R Crook County Fire and Rescue
CCI Construction Cost Index
CD Community Development
CD Compact Disk
CEAHAC Cascades East Area Health Education Center
CIP Capital Improvement Projects
CIS Citycounty Insurance Service
CJIS Criminal Justice Information Service
CMFR Comprehensive Monthly Financial Reports
COAR Critical Oregon Airport Relief
COLA Cost of Living Adjustment
COP Certificates of Participation
COTA Central Oregon Trail Alliance
CPA Certified Public Accountant
CPI Consumer Price Index
CRM Customer Relations Management
CSO Community Service Officer



DEQ Oregon Department of Environmental Quality
 DLCD Oregon Department of Land Conservation and Development
 DMR Digital Mobile Radio
 DO Dissolved Oxygen
 DOT Department of Transportation
 DRB Development Review Board
 DSP Downtown Strategic Planning
 DUI Driving Under the Influence
 DVD Digital Video Disk
 E&D Elderly and Disabled
 EDCO Economic Development for Central Oregon
 EDU Equivalent Dwelling Units
 EMD Electro-Motive Diesel
 EPA Environmental Protection Agency
 FAA Federal Aviation Administration
 FASB Financial Accounting Standards Board
 FDP Final Development Plan
 FEMA Federal Emergency Management Agency
 FICA Federal Income Contributions Act
 FRA Federal Railroad Administration
 FTE Full-Time Equivalent
 FY Fiscal Year
 GAAP Generally Accepted Accounting Principles
 GAC Granulated Activated Carbon
 GASB Governmental Accounting Standards Board
 GCOR General Code of Operating Rules
 GFOA Government Finance Officers Association
 GIS Geographic Information Systems
 GP General Purpose
 H2R Hire to Retire
 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
 PM Particulate Matter
 PMH Pioneer Memorial Hospital
 POB Pension Obligation Bond
 PPACA Patient Protection and Affordable Care Act
 PSAP Public Safety Answering Point
 PSNET Public Safety Network
 PW Public Works
 RMV Real Market Value
 ROW Right-of-way
 SAIF State Accident Insurance Fund
 SAP Specific Area Plan
 SCADA Supervisory Control and Data Acquisition
 SDC System Development Charges
 SEIU Service Employees International Union
 SLARRA Short-Lived Asset Replacement Reserve Account
 SRO School Resource Officer
 STP Surface Transportation Program
 TAG Technical Assistance Grant
 TDM Transportation Demand Management
 TDS Total Dissolved Solids
 TMP Transit Master Plan
 TOC Total Organic Carbon
 TSP Transportation System Plan
 UAL Unfunded Accrued Liability
 UGB Urban Growth Boundary
 UIC Underground Injection Control Device
 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 Wastewater Treatment Plant





City of Prineville

Adopted Fiscal Year 2018-2019 Budget

