

# City of Prineville, Oregon

## Budget Edition, Fiscal Year 2007-2008

**FY 2007-2008**

**To the Citizens of Prineville,**



### **City Managers Budget Message**

Consistent with Council Policy, I present to you the Proposed Budget for Fiscal Year 2007-2008.

### **Accomplishments**

This document received the annual Government Finance Officers Association (GFOA) *Distinguished Budget Presentation Award* for documents that are "of the highest quality to meet the needs of decision makers and citizens". This award is a product of our efforts to provide financial information in a most accurate and professional form, regarding the operations of the City of Prineville.

Last years document outlined our list of goals and objectives, by department, for the upcoming year. Some of the goals I highlighted in my Budget Message were: officer retention in the Police Department and upgrades in computer technology. I also mentioned the need to complete infrastructure projects to keep up with the demands of growth.

For the first time in several years, staffing levels in the Police Department have reached one hundred percent. Experienced officers are on the street, keeping us safe, rather than training young recruits. We have been able to negotiate contracts with Crook County and the Fire Department to insure a more equitable funding formula for Dispatch Services. We have increased fees for planning services, which makes more of the General Fund revenues available for Public Safety.

Administrative duties, once the responsibility of E911 Dispatchers, have been handed off to administrative support staff hired by the Police Department last year. This allows our dispatchers to be readily available to handle communications, and not be distracted by visitors, phone calls, or clerical duties.

With regard to computer technology, we have expanded our service levels by connecting offsite City locations into our computer network, improving operational communications. We have completely revised our website, giving us more flexibility in communicating with the public. The department has been instrumental in converting and upgrading our financial software, adding project management and a purchase order system, insuring a higher level of financial accountability. Lastly, the department worked with utility billing to implement a bar code system and to outsource our mailings for utility billing and customer notification letters.

The City of Prineville is nearing completion of the Airport Well and is working with the State of Oregon and private entities to identify existing water supplies that can be put into production. With our groundwater consultants, we have a committee, which will embark on the process of determining the best solutions for water production over the long term. We have completed Capital Improvement Plans for water and streets, and we are ready to adopt revised System Development Charges for sewer, insuring long term, sustainable plans for our future infrastructure needs.

Meadow Lakes Golf Course has generated more revenues than expenses, and the Railroad is literally one phone call away from being able to re-state revenue projections, and announce to the community that we expect to turn a profit this coming year.

TEAM Services, the human relations department for the City, completed our first update to the employee handbook since 1971, helped us experience a drop in our MOD rate (a system designed to

measure the risk of insuring the city), and helped the City obtain award winning recognition for having a safe work environment.

The highlight of the year has to be the adoption our first Comprehensive Land Use plan. This work required extensive cooperation with our partner, Crook County and their Planning Commission. That effort spotlights the value we place on our natural resources and the assets we have in Barnes Butte, the rim rock, and waterways. We are currently meeting with the community to adopt a *Goal 5 Natural Resource Plan* to preserve and protect these important assets for our future.

We have challenges ahead. As directed, we will move forward, focused on our mission, continually improving on the services we provide.



### **The Budget**

This budget is not about money, but is a policy document that charts a course for the coming year. With the resources authorized in this document, it represents a plan to move Prineville closer to achieving our mission.

*The mission of City government is to consistently contribute to Prineville's reputation as a safe, welcoming and friendly place to live, work, play, learn, and visit.*

The Prineville City Council adopted the following goals for the coming year:

- Consider Revision of existing Burn Barrel Ordinance,
- Find, evaluate, and select Sustainable Public Safety Funding sources,
- Establish a Systematic Review of City Code,
- Identify Ways to Communicate more effectively,
- Strengthen ties with then County,
- Adopt a Transportation System Plan for 2025-2045,
- Strengthen ties with the Business Community,
- Continue to support and work with our partners; EDCO, the County and our Chamber, to insure the success of the new Economic Development Position,
- Adopt a Design Review Ordinances,
- Adopt the Comprehensive Plan,
- Initiate Neighborhood Watch Program,
- Cooperate with the Drug Free Prineville Program,
- Deliver Council Packets on Wednesdays,
- Provide Council Packets online,
- Provide Public access to low capacity Internet.

City staff has reviewed these Council goals, considered the mission of the City of Prineville, and identified available resources. This document represents our plan for the coming fiscal year.

### **The Year Ahead**

In the year ahead, we will continue to improve on the service we provide to our citizens. We are committed to openness and accountability. We will maintain our infrastructure to protect the long term investment. We will continue to be a catalyst for cooperation with our partners in Crook County and the Central Oregon Region to build a strong, viable local economy that improves the standard of living for the people of Prineville.

This budget reflects rate increases which capture the cost of doing business. It adds a City Engineer, Planning Code Enforcement

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position and a Public Works Inspector. All of these positions are funded through fee increases.

### *General Fund*

This is the first year that the General Fund has not relied on support from the Railroad Fund. The General Fund primarily is funded by tax revenues, franchise fees, and other discretionary dollars to pay for Police services and planning. Through increased planning fees, more of these revenues are made available for public safety. Currently there is a committee working to advise the City Council on appropriate staff levels for the Police Department and Dispatch, and to identify long term sustainable funding.

### *Transportation Operations Fund*

This fund pays for road maintenance. It relies on state tax revenues, and receives money from the federal government, passed through Crook County. This budget pays for a plan to address a funding shortfall in road maintenance dollars. The information will allow the Council to make decisions regarding sustainable road maintenance.

### *System Development Charges (SDC) Funds*

These funds are in place to account for System Development fees collected for the construction of road, water, and sewer improvements needed for growth. These funds budget projects identified in the Capital Improvement Plans. The water and transportation SDC funds also budget for the review and adoption of SDC methodology's, which will enable us to adjust SDC rates which accurately capture the costs of improvements.

It is anticipated that the City Council will adopt new SDC rates for the sewer system before July 1.

### *Railroad Fund*

This fund pays for the operation of the City owned railroad. The business continues to see growth in revenues and it is anticipated that it will be an economic engine for Prineville and all of Central Oregon. The price of fuel has led a resurgence of interest in rail shipping. The State of Oregon recently awarded the railroad a \$2,000,000 grant to build the Prineville Freight Depot, and weekly we are receiving phone calls from potential new customers. All of Les Schwab's rail shipping is now coming into Prineville.

The Railroad Advisory Committee recently met and reviewed the budgets for the Railroad, Freight Depot, and the Crooked River Dinner Train. They overwhelmingly support the budgets as presented in this document, while addressing the need to develop contingency plans.

### *Water Fund*

This fund pays for water system maintenance. It reflects an increase of five (5%) percent in the existing water rate, to pay for significant increases in the cost of maintenance. Our PVC water line is made from petroleum products, and has gone up with the price of oil. The Water Department will look at upgrading our water well controls and water meter reading systems. With new water sources coming online, the department will be able to focus on replacing several old water lines in the year ahead.

### *Wastewater Fund*

This budget increases the sewer rates by 10% bringing us closer to our rate requirement of 1.05% of operational cost's, resulting from signed agreements with the State of Oregon. This increase is far less than the 14% estimated during last years budget process, and represents what we anticipate to be the final double digit increase in sewer rates, as we have had to "catch up" on deferred maintenance.

There is a high degree of Inflow and Infiltration (I&I) of both ground and surface water into our sewer treatment system. By eliminating the I&I, we are extending the life of our sewer treatment plant.

Last year the City lined 1800' of sewer pipe, and sealed 27 manholes, for a cost of approximately \$100,000. This year we are budgeting

\$250,000 for lining and restoration of our aged sewer lines and manholes.

### *Golf Course Fund*

The golf course has achieved greater profitability than projected. There has been a large increase in rounds of golf, pro shop sales, and restaurant revenues. The management team is using the tools provided in the *Meadow Lakes Business Plan* to address key areas of the operation, and look to further improve on the bottom line.

### *Crooked River Dinner Train*

The dinner train has suffered setbacks this past year. The business struggled to pay overhead costs, actual railroad fees, and a significant increase in food costs. In response, management reduced payroll, moved the business office to the Prineville Railroad Depot, and has reduced the operation to run only during the peak tourist season.

The budget this year projects a net profit of \$60,000 as a result of these management decisions.

Efforts are underway to examine the long term viability of the business, and to explore options of transferring ownership or leasing the business to private enterprise.

### *The Prineville Freight Depot*

The Prineville Freight Depot exists to increase rail traffic and expand freight options for businesses in Prineville and Central Oregon. The freight depot is beginning to break ground on improvements made possible by a \$2,000,000 grant from the State of Oregon. This money will help the City construct a warehouse, track improvements, and enhance the fire system.

As a regional facility, businesses in Bend and Redmond are weekly contacting the City of Prineville Railroad for services no longer provided in their community. We are currently talking with several businesses that are looking to relocate to Prineville because of this service.

### *City Administration and Support Services*

This fund pays for the City Manager, Finance, Human Resources, and Computer support. There are no increases in staff; however, the Community Development Director Position and an existing Administrative Staff position have been moved to this fund, to oversee the Planning and Public Works Department.

This budget includes a comprehensive salary survey, helping us insure that we are paying competitive wages for the marketplace. Long range planning documents will be implemented, and financial accounting will continue to be improved.

### **Conclusion**

The City is faced with many challenges ahead. Employee retention may be difficult, as a strong economy and high employment drive up wages and competition for experienced employees.

Source water will remain an important topic until we get a sufficient number of wells into our system.

The housing market has slowed down nationally, causing a ripple effect in the community. Yet the developers here in Prineville continue to forge ahead.

Transportation solutions will need to be found, to manage the large growth inside the City limits and county areas, like Juniper Canyon to the south, which has such a large impact on our City roads.

The economic development and growth that we are experiencing today were dreams of our current and former leaders, as they sought to replace the economy that relied on sawmills and timber. We are now seeing the fruits of their labor. This is the fastest growing region in the

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state, with the lowest unemployment we have experienced in over a decade.

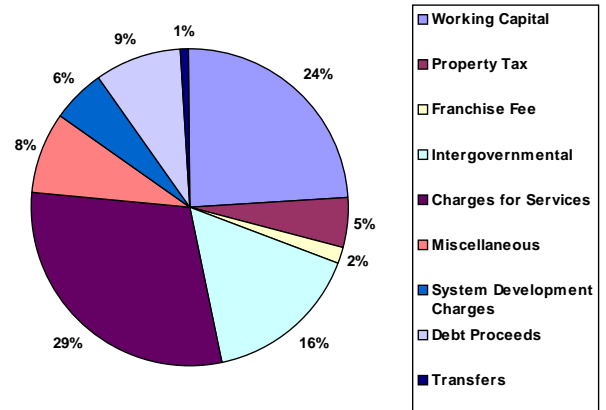
These are exciting times in Prineville and they come with their own unique set of challenges. The staff at the City of Prineville looks forward to working with you as we navigate through these challenges together.

Respectfully,  
Robb Corbett, City Manager

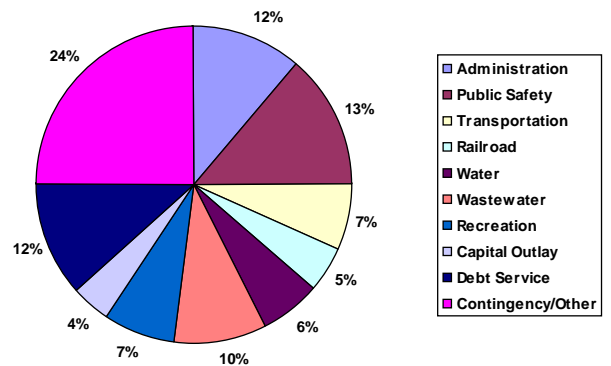
### Budgeted Capital Projects

<b>Public Safety</b>	
Equipment/improvements	\$ 39,700
<b>Streets</b>	
Second Street Egress	400,000
Juniper Street Re-alignment	700,000
Equipment/improvements	472,000
<b>Emergency Dispatch</b>	
Equipment/improvements	38,700
<b>Water</b>	
Airport Well and Pump house	615,000
Municipal Well and Pump House	450,000
Surface Water Supply Study	50,000
Clear Pine Well	85,000
Improvements	250,000
<b>Wastewater</b>	
Improvements	275,000
<b>LID Construction Fund</b>	
Improvements	3,000,000
<b>Railroad</b>	
Improvements	34,000
<b>Airport</b>	
New Terminal/Hangers	2,152,600
<b>Golf Course</b>	
Equipment/improvements	79,100
<b>Freight Depot</b>	
Expand Facility	1,870,000
<b>Admin/Financial Support</b>	
IT/Equipment	56,900
<b>Public Works Support Services</b>	
Equipment	75,000
<b>Total</b>	<b>\$10,643,000</b>

**Budgeted Resources Fiscal Year 2007-2008**



**Budget Requirements Fiscal Year 2007-2008**



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**FORM NOTICE OF BUDGET HEARING**  
**LB-1**

A meeting of the Prineville City Council (governing body) will be held on June 26th, 2007 at 6:30 pm at 387 NE 3rd Street, Prineville, OR 97754. The purpose of this meeting will be to discuss the budget for the fiscal year beginning July 1, 2007 as approved by the City of Prineville Budget Committee.

A summary of the budget is presented below. A copy of the budget may be inspected or obtained at Prineville City Hall 387 NE 3rd Street, Prineville, OR 97754 between the hours of 8:00 am and 5:00 pm. The approved budget is prepared using GAAP basis of accounting.

County <b>Crook</b>	City <b>Prineville</b>	Chairperson of Governing Body <b>Mike K. Wendel, Mayor</b>	Telephone Number <b>547-447-5627</b>
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**FINANCIAL SUMMARY**

		<input type="checkbox"/> Check this box if your budget only has one fund	TOTAL OF ALL FUNDS	Adopted Budget This Year 2006-2007	Approved Budget Next Year 2007-2008
Anticipated Requirements	1. Total Personal Services .....			5,547,100	6,393,100
	2. Total Materials and Supplies .....			5,163,800	5,693,600
	3. Total Capital Outlay .....			7,237,700	10,643,000
	4. Total Debt Service .....			3,632,385	2,992,494
	5. Total Transfers .....			2,898,800	2,869,300
	6. Total Contingencies .....			3,694,939	4,961,359
	7. Total All Other Expenditures and Requirements .....			1,652,689	1,341,294
	8. Total Unappropriated Ending Fund Balance .....			0	0
	9. <b>Total Requirements - add Lines 1 through 8 .....</b>			<b>29,827,413</b>	<b>34,894,147</b>
Anticipated Resources	10. Total Resources Except Property Taxes .....			28,359,413	33,219,147
	11. Total Property Taxes Estimated to be Received .....			1,468,000	1,675,000
	12. <b>Total Resources - add Lines 10 and 11 .....</b>			<b>29,827,413</b>	<b>34,894,147</b>
Estimated Ad Valorem Property Taxes	13. Total Property Taxes Estimated to be Received (line 11) .....			1,468,000	1,675,000
	14. Plus: Estimated Property Taxes Not To Be Received .....			0	0
	A. Loss Due to Constitutional Limits .....			0	0
	B. Discounts Allowed, Other Uncollected Amounts .....			117,440	186,111
	15. <b>Total Tax Levied - add Lines 13 and 14 .....</b>			<b>1,585,440</b>	<b>1,861,111</b>
Tax Levies By Type			<b>Rate of Amount</b>	<b>Rate of Amount</b>	
	16. Permanent Rate Limit Levy (rate limit 3.0225) .....			3.0225	3.0225
	17. Local Option Taxes .....			0	0
	18. Levy for Bonded Debt or Obligations .....			80,000	80,000

**STATEMENT OF INDEBTEDNESS**

Debt Outstanding <input type="checkbox"/> None <input checked="" type="checkbox"/> As Summarized Below	Debt Authorized, Not Incurred <input type="checkbox"/> None <input checked="" type="checkbox"/> As Summarized Below
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**PUBLISH BELOW ONLY IF COMPLETED**

Long-Term Debt	Estimated Debt Outstanding at the Beginning of the Budget Year		Estimated Debt Authorized, Not Incurred at the Beginning of the Budget Year	
	July 1, 2007-2008 Approved Budget Year		July 1, 2007-2008 Approved Budget Year	
Bonds .....	1,087,000		0	
Interest Bearing Warrants .....	0		0	
Other .....	25,710,562		3,100,000	
<b>Total Indebtedness .....</b>	<b>26,797,562</b>		<b>3,100,000</b>	

**Short-Term Debt**

This budget includes the intention to borrow in anticipation of revenue ("Short-Term Borrowing") as summarized below:

Fund Liable	Estimated Amount to be Borrowed	Estimated Interest Rate	Estimated Interest Cost
LID Construction Fund	3,100,000	5%	100,000

**Budget Committee**

**Citizen Members**

Colleen Bolton  
Steve Ilk  
Gari Jo Noyes  
Karole Stockton  
Don Wee  
John Mitchell  
Mary Pine

**City Staff**

Robb Corbett, City Manager  
Lizbeth Schuette, Finance Officer  
Eric Bush, Police Chief  
Dan Lovelady, Railroad Manager  
Wayne Van Matre, Golf Course Manager  
Mary Puddy, Team Service Director  
Deborah McMahon, Interim Community Planning Director  
Carl Dutli, City Attorney

**Council Members**

Mayor Mike Wendel  
Bobbi Young Chair  
Gordon Gillespie  
Betty Roppe  
Dean Noyes  
Steve Uffelman

For More information contact:

387 NW Third Street  
Prineville, OR 97754  
541-447-5627  
www.cityofprineville.com