

City of Prineville, Oregon

Budget Committee

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Table of Contents

City Managers Budget Message_____	5
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INTRODUCTION

Community Profile_____	8
City Demographics and Government_____	9
The Budget Calendar and Process_____	11
Fiscal Policies_____	13
Fund Accounting_____	17
Governmental Fund Types	
Capital Project Fund Types	
Proprietary Fund Types	
Internal Service Funds Types	

CONSOLIDATED BUDGETS_____	21
----------------------------------	-----------

PERSONNEL

Organizational Chart_____	22
Full-time equivalent (FTE) budgeted positions	
Positions & Salary Ranges_____	23

BUDGET SUMMARIES

General Fund_____	25
Police Department_____	26
Community Development_____	28
Non-departmental_____	30

Special Revenue Funds

Transportation Operations Fund_____	31
Emergency Dispatch_____	33

Debt Service Funds

LID Debt Service Fund_____	36
Fire Hall/Water G.O. Debt Service Fund_____	37
Industrial Park Debt Service Fund_____	38

Capital Project Funds

LID Construction Fund_____	39
Transportation SDC Fund _____	40
Water SDC Fund_____	42
Wastewater SDC Fund_____	44
Sewer Improvement Fund _____	46

Enterprise Funds	
Railroad Fund_____	47
Airport Fund_____	49
Water Fund_____	50
Wastewater Fund_____	52
Golf Course and Restaurant Fund_____	54
Crooked River Dinner Train Fund_____	60
Freight Depot Fund_____	62
Internal Services Funds	
City Administration and Support Services Fund_____	64
City Council	
Administrative & Financial Services	
Information Technology	
Public Works Support Services Fund_____	70
Administration	
Vehicles/heavy equipment	
City Hall Fund_____	71
Appendix	
Glossary_____	72
Closed Funds_____	81

City Managers Budget Message

May 22, 2007

Consistent with Council Policy, I present to you the Proposed City of Prineville 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 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 105% of our net operational income, 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 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, business's 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 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.



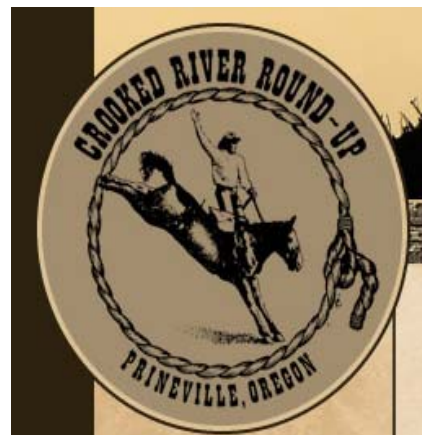
Community Profile

The City of Prineville is a unique town that is centrally located in the middle of Oregon. Prineville has managed to keep its friendly character and appeal throughout the years. Teaming with historical, recreational and small town value, Prineville is truly a beautiful place to live and work.

The City of Prineville was established in 1868. It is the oldest community in Central Oregon and one of Oregon's first incorporated cities. Prineville is the only city in Crook County, which was separated from Wasco County in 1882 and named after General George Crook. Prineville was founded when Barney Prine settled on the banks of the Crooked River where he established a blacksmith shop and a store-saloon. Prineville was the primary place of trade in Central Oregon until 1911.

Prineville is a very unique city, not only owning its own municipal railroad but also owning a municipal golf course. The City of Prineville Railway was established in 1918 after the Union Pacific and Oregon Trunk Railways were built to extend south from the Columbia River to Bend. Prineville built their own railroad to join the Oregon Trunk and the Columbia River Railways just north of Redmond. These railways helped to keep the lumber industry strong in Prineville throughout the 30s and 40s by shipping vast amounts of lumber. Today the City of Prineville Railway is a customer oriented short line railroad, it connects with the Burlington Northern Santa Fe and the Union Pacific Railroads at the Prineville Junction just north of Redmond. Meadow Lakes Golf Course was built to solve Prineville's wastewater problem, it is not only a golf course but a wastewater treatment facility. Meadow Lakes has been featured in the USA Golf Journal and is one of the first ever recipients of Golf Digest's national Environmental Leaders Award.

Prineville is located in a very special part of Oregon that offers a far reaching array of recreational activities. There are activities for everyone here. Prineville has a strong agricultural heritage that makes the yearly rodeos, fairs and horse races a large event. It is also geographically located close to rivers, reservoirs, mountains and many other natural landscapes (Painted Hills and the Smith Rocks) that allow outdoor activities year-round. Residents and visitors of Prineville enjoy



fishing/hunting, boating/rafting, skiing/snowboarding, hiking, camping and rock hounding.

There are many opportunities for housing in the City of Prineville. New subdivisions are currently being built all around Prineville that offer more affordable housing for Central Oregon. Prineville offers a variety of job markets.

Government

The City of Prineville has a Council/Manager form of government. The Council is composed of a mayor and 6 city councilmen elected from the City at large. Three councilmen are elected at each biennial election and serve a term of 4 years. At each biennial general election a mayor is elected for a term of two years.

School District

Crook County School district is one of four school districts located in Central Oregon. It currently has an enrollment of 3,102 students. The District consists of two high schools; one middle school grades 6-8; three in-town elementary schools grades K-5; one rural school in Powell Butte grades K-6 and one rural school in Paulina grades K-8. The District is served by the High Desert Educational Service District.

City Demographics

Natural resource Data

- Crook County area, in miles: 2,982
in acres: 1.9 million
- Elevation at the Courthouse: 2864'
- Climate: Semi-Arid, Cool nights
- Climate Zone: Climate Division 7 (South Central Oregon)
- Mean Temperatures January: Max 41.9 deg F
Min 21.0 deg F
- Mean Temperatures July: Max 85.8 deg F
Min 42.8 deg F
- Annual Precipitation: 10.49 inches

Population : (2000 Census)

- Central Oregon: 161,300
- Crook County: 19,850
- Prineville: 8,205

Largest Employers

- Les Schwab
- American Pine Products
- Government
- Crook County School District
- Pioneer Memorial Hospital
- Pioneer Cut Stock

Age & Income: (2000 Census)

- Average Annual Wage: \$26,508.00
- Median Household Income: \$34,700
- Median Age: 32.9
- Percent aged 65+ years: 15.5%
- Percent Aged Under 19 Years: 30%

Permits Issued

Year City/County	Number of Residential Permits	Valuation	Number of Commercial Permits	Valuation
2000				
Prineville	98	\$9,668,205.98	6	\$1,742,410.36
Crook County	169	\$18,552,661.42	0	\$0.00
2001				
Prineville	67	\$6,809,720.75	5	\$923,674.68
Crook County	155	\$18,122,262.26	2	\$10,330.36
2002				
Prineville	78	\$7,905,367.82	11	\$3,610,272.26
Crook County	157	\$17,083,813.42	5	\$928,036.63
2003				
Prineville	123	\$14,017,928.25	13	\$247,461.40
Crook County	176	\$22,194,562.82	5	\$970,832.92
2004				
Prineville	142	\$17,503,558.91	10	\$3,394,898.52
Crook County	235	\$32,029,379.38	9	\$674,923.84
2005				
Prineville	170	\$22,294,352.93	39	\$7,965,582.53
Crook County	231	\$33,605,562.16	20	\$2,045,105.21
2006				
Prineville	149	\$21,776,864.23	27	\$4,728,134.86
Crook County	304	\$43,270,493.31	19	\$6,314,894.56

Budget Process/Calendar

The Budget Process

A budget as defined by Oregon State Law (Oregon Revised Statutes, Chapter 294 (ORS)), is 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. 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.

As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under 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's budget will accomplish each of the four major purposes of Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565) including:

- Establish standard financial procedures
- Outline programs and services in conjunction with the fiscal policy and implement those policies
- Provide methods of estimating revenue, expenditures, and proposed tax levies
- Cultivate public involvement in the budgeting process before budget adoption

Prineville prepares and adopts its annual budget in accordance with the City Charter, Oregon Law and the Government Finance Officers Association budget guidelines.

City of Prineville

Budget Calendar – Fiscal Year 2008

- 02-28-07.....Budget kick-off / workshop training session (software)
- 03-05-07..... Proposed personnel requirements and estimated salary and benefit changes are reviewed with City Manager and incorporated into personnel cost estimates.
- 03-09-07.....Revenue projections for the upcoming year are completed by Finance Officer and reviewed by CFO, with assistance as necessary from departments.
- 03-09-07..... Department expenditure/revenue estimates for the current fiscal year are completed (updated monthly through June)
- 03-16-07.....First draft of the proposed budget narrative including brief description of various services, goals, key performance indicators, trend information if available, capital outlay, and significant changes to City Manager
- 03-16-07.....Department budget proposals for the upcoming fiscal year are provided to finance.
- 04-06-07.....Finance Officer completes and distributes proposed department budgets including narrative and financial information to City Manager, CFO and Dept. Managers

- 04-9-07 City Manager reviews the budget and capital improvement program with CFO, Finance Officer and Dept. Managers (one dept at time)
- 04-10-07.....Budget Committee training session to review current year to date information and discuss budget process, roles and responsibilities
- 04-11-07.....Department expenditures and revenue estimates updated for the current fiscal year (updated monthly through June)
- 04-16-07..... Finance Officer updates budgets reflecting changes made by City Manager
- 05-14-07..... Department expenditures and revenue estimates updated for the current fiscal year (updated monthly through June)
- 05-22-07.....Budget to Committee Members, distributed at City Council meeting and budget message.
- 05-29-07 1st budget meeting. Open hearing for state revenue sharing
- 06-15-07.....Department expenditures and revenue estimates updated for the current fiscal year
- 06-26-07 Council budget hearing and resolutions:
 - 1. Adopting budget and making appropriations
 - 2. Levying taxes
 - 3. Resolution declaring intent to receive state revenue sharing funds
- 07-13-07 To Assessors Office

Fiscal Policies

Basis of Budgeting

The City maintains accounting records on a GAAP (Generally Accepted Accounting Principles) basis and for budgeting purposes also recognizes capital outlay and debt service as expenditure requirements. Prior to fiscal year 2005-06 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 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; receipts 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 that are not reported under the budget basis but are reported in GAAP-basis financial reporting.

The City of Prineville has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely, and plan adequate funding of services and facilities desired and needed by the public. The goals of Prineville's fiscal policies are as follows:

- To enhance City Council's policy-making ability by providing accurate information on program and operating costs.
- To assist sound management of City government by providing accurate and timely information on current and anticipated financial conditions.
- To provide sound principles to guide important decisions of the Council and management which have significant fiscal impact.
- Support revenue policies, which prevent undue or unbalanced reliance on any one source, distribute the cost of municipal services fairly and provide adequate funds to operate desired programs.
- To provide and maintain essential public facilities, utilities, and capital equipment.
- To protect and enhance the City's credit rating.
- To insure that all surplus cash is prudently invested in accordance with the investment policy adopted by the Council to protect City funds and realize a reasonable rate of return.

Revenue Policy

Diversified and stable revenue sources will be maintained to shelter the government from short-term fluctuations in any given revenue source. One-time revenues will generally be used for one-time expenditures and the City will avoid using temporary revenues to fund continuing services. All revenue forecasts shall be conservative and include appropriate disclosure of assumptions utilized. Regular reports comparing actual to budgeted revenues will be prepared by the Finance Department and presented to the City Manager and the City Council.

All City funds shall be safely invested to provide a sufficient level of liquidity to meet cash flow needs and to provide the maximum yield possible in that order. One hundred percent of all idle cash will be continuously invested.

The City will maximize utilization of user charges in lieu of property taxes for services that can be individually identified and where the costs are directly related to the level of service. User fees will

be reviewed each year to ensure that related costs are recovered in accordance with City Council policy.

The maximum allowable system development charges (SDC's), 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 each five years). The Council will determine what amount of SDC's to impose.

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. 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. 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.

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.

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.

The City shall pursue an aggressive policy of collecting delinquent accounts. When necessary, discontinuing service, small claims court, collection agencies, foreclosure, liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.

Operating Budget Policy

The City shall prepare, present, adopt and amend its annual operating budget(s) in accordance with Oregon Budget Law. The City shall not adopt a budget that is greater than the amount of resources available to fund it. Resources will be sufficient to support current operating expenditures, internal transfers, reserves, unappropriated balances and contingencies. 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.

Departmental objectives will be integrated into the City's annual budget and regular departmental reports. Before the City undertakes any agreements that create fixed costs, both operating and capital, the implications of such agreements will be fully determined for current and future years. All non-salary benefits, such as social security, pension, and insurance, will be estimated and their impact on future budgets assessed annually. Cost analysis of salary increases will include the effect of such increases on the City's share of related fringe benefits.

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.

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. Regular reports comparing actual to budgeted expenditures will be prepared by the Finance Department and be distributed to the City Manager and City Council.

The City will annually submit documentation to obtain the Award for Distinguished Budget Presentation from the Government Finance Officer's Association (GFOA). (*Beginning with the budget for fiscal year 2007*)

Capital Improvement Policy

Annually, the City shall adopt a 5-year Capital Improvement Plan (CIP). Prior to adopting a Capital Improvement Plan, the City shall hold public meetings and a public hearing on the contents of the CIP document. The document shall provide details on each capital project: its estimated costs, sources of financing and a full description, including a detailed 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. Operating expenditures shall be programmed into each capital project plan, including the cost of implementing the plan and all continuing labor, operating and capital outlay costs.

The City will determine and use the most effective and efficient method for funding all new capital projects and special funds dedicated for capital improvements will be segregated in the accounting system and used only for the intended capital purposes. Council approved systems development charges (SDC's) will be used for infrastructure capacity expansion and improvements including in-house engineering, design and administration.

Accounting Policy

The City will maintain high standards of accounting. Generally Accepted Accounting Principles (GAAP) will be used in accordance with the standards developed by the Governmental Accounting Standards Board and endorsed by the Government Finance Officer's Association (GFOA).

An independent audit will be performed annually by an independent public accounting firm who will then issue an official opinion on the annual financial statements and a management letter detailing areas that need improvement, if necessary. Full disclosure shall be provided in the financial statements and bond representations.

Monthly 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.

The City will annually submit documentation to obtain the Certificate of Achievement for Excellence in Financial Reporting from GFOA (beginning with fiscal year 2007).

Debt Policy

The use of long-term debt will be limited to capital improvements too large (minimum of \$100,000) to be financed from current available resources. Debt repayment terms will not exceed the useful life of the improvements financed.

Issuance of Assessment Bonds, secured by the benefited property, will be pursued to finance local improvement projects and repay interim financing approved by the City Council and the City will use its credit line, as needed, to provide interim funds for the construction of local improvements approved by the City Council.

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.

Reserve Policy

The City shall maintain adequate working capital reserves in all funds. All governmental funds that receive property taxes shall maintain sufficient working capital to allow the City to adequately fund operations within the specific fund until property taxes are received in November of each year, without borrowing; utility funds shall maintain at a minimum working capital balance sufficient for sixty days operating expenses, together with an adequate emergency repair reserve and required debt service reserves; internal service funds shall maintain at a minimum working capital balance sufficient for thirty days operating expenses and any required debt service reserves; debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund required debt service reserves; and other operating funds shall maintain a minimum working capital balance sufficient for forty-five days operating expenses and any required debt service reserves.

The City shall establish a contingency appropriation to provide for unanticipated expenditures of a nonrecurring nature. This appropriation shall be a minimum of five percent (5%) of a fund's operating and capital expenditure estimates for the fiscal year. This policy does not apply to debt service, trust and agency, capital projects, serial levy, temporary or certain special purpose funds.

Management of Fiscal Policy

Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution after a public hearing is held. 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.

The Finance/Audit Committee shall review the City's fiscal policies annually. The City Manager shall implement fiscal policies and monitor compliance. 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. 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.

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

General Fund

The General Fund accounts for police, emergency dispatch and community development services provided by the City, and Council directed funding of outside agencies or other activities. General administrative and occupancy costs for city hall are paid through internal charges to the Internal Services Fund 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 Fund Type

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

Transportation Operations Fund

The Transportation Operations Fund provides the accounting of the City’s street, bike-lane, right-of-way and storm water maintenance. Funding sources include state highway gas tax, County contributions and state revenue sharing. Heavy equipment, vehicles and maintenance, engineering, project oversight and public works administration and support services costs, are accounted for through transfers to the Internal Service Fund 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 Crook County Sheriff,

Crook County Rural Fire District, Bureau of Land Management and the City police. Funds are provided by 911 telephone taxes and payments from entities served.

Debt Service Fund Type

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

LID Debt Services 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 unbonded assessments. Expenditures are for debt service requirements.

Fire Hall/Water G.O. Debt Service Fund

This fund accounts for the repayment of general obligation bonds issued for water system improvements and fire hall improvements. The primary source of revenue is property taxes.

Industrial Park Debt Service Fund

This fund accounts for the repayment of economic development related debt utilized for infrastructure improvements in the city's industrial park. Sources of repayment have included the general fund and railroad fund.

Capital Project Fund Type

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

LID Construction Fund

This fund accounts for public infrastructure work (water, sewer, streets, sidewalks, etc.) performed by the City at the request of property owners or as directed by the City Council.

The principal sources of revenue include debt proceeds and payments by property owners for charges assessed to their property. Debt issued is repaid by the property owners and is accounted for in the LID Debt Services Fund.

Transportation SDC Fund

This fund accounts for the receipt and expenditures of transportation System Development Charges (SDC's) improvement fees. SDC's 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 Charges (SDC's) improvement fees. SDC's 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 Charges (SDC's) improvement fees. SDC's are charged to builders to provide a source of income to pay for the expansion of the City's wastewater system.

Proprietary Fund Types

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 that are financed and operated in a manner similar to private enterprises.

Railroad Fund

This fund accounts for the operation of the City's railroad. The principal sources of revenue include rail access fees and car fees. Expenditures are for the operation, administration, maintenance and improvement of the railroad facilities.

Airport Fund

This fund accounts for the operation of the municipal airport. The principal sources of revenue are hangar and land lease income, and an operator's lease. Expenditures are for the operation, administration, maintenance and improvement of the airport facility.

Water Fund

This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees and system development charges. 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 and system development charges. 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 and restaurant at the Meadow Lakes Golf Course 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.

Dinner Train Fund

This fund accounts for the operation of the City's Dinner Train. Principal sources of revenue include food and beverage sales. Expenditures are for cost of sales, administration, and use of the railroad facilities.

Freight Depot Fund

This fund accounts for the operation of the City's railroad freight warehousing operation. Revenues are derived from customers needing storage, loading, or unloading services for freight shipping via the City's railroad or other forms of freight transportation.

Internal Service Funds Types

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 city hall.

Administrative and Financial Services Fund

Activity for the City Council, Administration and Team Services, Financial Services and Information Technology are accounted for in this fund. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personal services, material and services, and transfers.

City Hall Fund

This division accounts for the operation of the new City Hall building. Revenue is generated by rent charges to other funds and tenants. Expenditures include repairs and maintenance and debt service.

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 personal services, material and services, and capital requirements.

Fiduciary Fund Types

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

Park Development Account

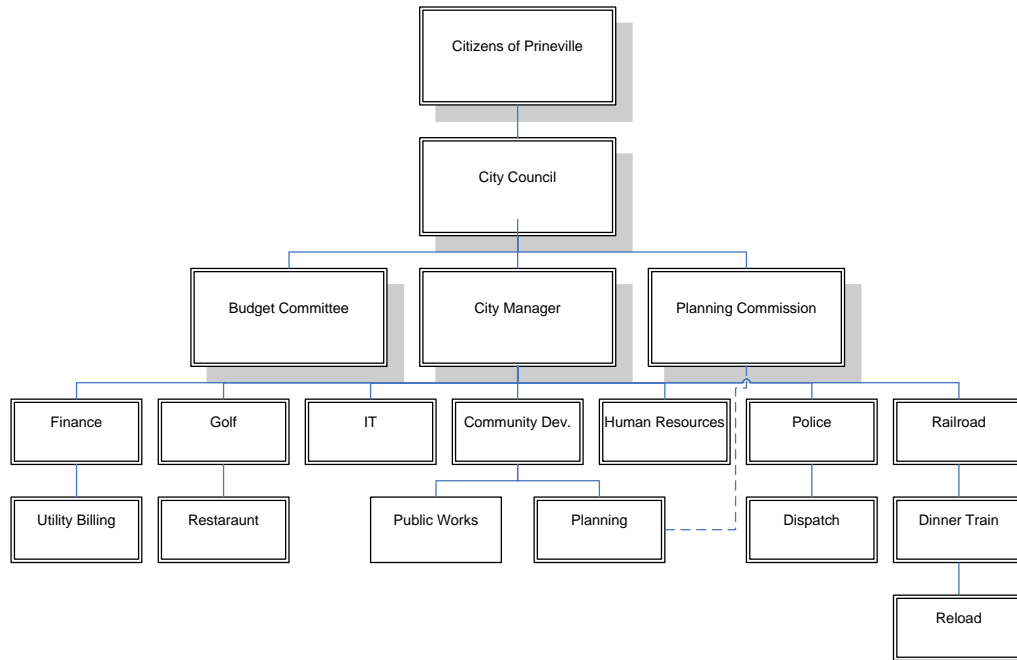
The City collects system development charges on behalf of the Crook County Parks and Recreation District. Funds collected are paid to the Crook County Parks and Recreation District for capital improvement expenditures on a quarterly basis. The City retains an administrative charge.

Consolidated Budgets

City of Prineville
 Consolidated Proposed Budgets
 Fiscal Year Ending June 30, 2008

Fund	Beginning Working Capital	Other Resources	Current Year Resources	Current Year Expenditures	Contingency	Other Requirements	Total Current Year Expenditures
General Fund 01	\$ 669,561	\$ -	\$ 3,504,600	\$ 3,612,700	\$ 561,461	\$ -	\$ 4,174,161
Transportation Fund 10	427,747		877,600	1,199,600	105,747	-	1,305,347
Emergency Dispatch Fund	75,700		757,100	802,500	30,300	-	832,800
LID Debt Service Fund - 40	538,373		248,100	345,700	440,773	-	786,473
Fire Hall/Water G.O. Debt Service Fund - 4	48,096		86,500	91,700	42,896	-	134,596
Industrial Park Debt Service Fund - 47	424		132,000	132,300	124	-	132,424
LID Construction Fund - 30	-		3,100,000	3,100,000	-	-	3,100,000
Transportation SDC Fund - 33	709,029		593,600	1,184,000	118,629	-	1,302,629
Water SDC Fund - 34	1,087,086		522,000	1,515,600	93,486	-	1,609,086
Wastewater SDC Fund - 35	239,740		852,800	238,100	854,440	-	1,092,540
Sewer Improvement Fund - 62	-		-	-	-	-	-
Railroad Fund - 50	1,492,406		718,000	1,063,700	746,706	400,000	1,810,406
Airport Fund - 51	172,053		3,022,500	3,042,500	152,053	-	3,194,553
Water Fund 52	706,530		1,533,000	1,795,600	443,930	-	2,239,530
Wastewater Fund 53	1,721,101	400,000	3,342,000	3,691,356	851,451	920,294	4,542,807
Golf Course and Restaurant Fund - 54	326,334		1,950,800	2,008,700	268,434	-	2,277,134
Dinner Train Fund - 56	19,531		520,200	475,200	64,531	-	539,731
Freight Depot Fund - 57	20,627		2,053,500	2,053,900	20,227	-	2,074,127
Admin/Financial Support Services Fund 70	44,422		1,548,500	1,505,500	87,422	-	1,592,922
Public Works Support Services Fund 73	84,228		545,400	568,400	61,228	-	629,628
City Hall Fund	56,559		146,400	164,438	17,521	21,000	181,959
Totals	8,439,547	400,000	26,054,600	28,591,494	4,961,359	1,341,294	33,552,853

City of Prineville		
	9/1/06	



Schedule of Budgeted Positions

	Number of FTE	Salary Range
<u>GENERAL FUND</u>		
<u>POLICE DEPARTMENT</u>		
Chief of Police	1	67,000 – 84,000
Captain	1	56,500 – 73,000
Administrative Assistant	0.66	38,000 – 52,000
Sergeant	4	47,700 – 58,296
Patrol Officer	11	41,124 - 48,144
Community Services Officer	1	35,652 - 42,072
Evidence Officer	1	35,652 - 42,072
Office Technician	0.5	20,000 - 27,000
Janitorial	0.5	Hourly
Total	20.66	
<u>PLANNING</u>		
Engineer	1	56,000 - 63,000
Senior Planner	1	45,000 - 60,000
Planner	1	40,000 - 52,000
Planning Technician	1	32,000 - 40,000
Code Enforcement	0.5	
Total	4.5	

STREET DEPARTMENT

Utility 2 37,863 - 42,651*

EMERGENCY DISPATCH

Communications Director 1 45,000 - 55,000
Administrative Assistant 0.33 38,000 - 52,000
Communications Supervisor 1 40,000 - 45,000
Communications Officer 6 34,620 - 38,892
Office Technician 0.5 20,000 - 27,000
Janitor 0.5 Hourly
Total 9.33

RAILROAD

General Manager 1 107,256
Agent 1 45,500 - 48,240*
Superintendent 1 52,400 - 55,700*
Engineer 1 49,000 - 51,000*
Conductor 2 49,000 - 51,000*
Total 6

WATER DEPARTMENT

Utility 4 37,863 - 42,651*

SEWER DEPARTMENT

Utility 4 37,863 - 42,651*

GOLF COURSE OPERATIONS

Director of Golf 1 70,000 - 80,000

COURSE DISPOSAL SITE

Assistant Superintendent 1 44,000 - 50,000
Greenskeeper/Irrigation Tech 1 38,000 - 45,000
Mechanic 1 35,000 - 40,000
Total 3

GOLF OPERATIONS

Head Professional 1 50,500 - 65,100
Pro Shop Manager 1 34,000 - 40,000
Total 2

RESTAURANT OPERATIONS

Restaurant Manager 1 40,000 - 46,000
Chef 1 32,964
Cook/ Wait Staff 11 Hourly
Total 12

Department Totals 19

CROOKED RIVER DINNER TRAIN

Office Manager	1	31,000 - 35,000
Other Staff	11	Hourly
Total	12	

PRINEVILLE FREIGHT DEPOT

Supervisor	1	35,000 - 40,000
Crew	1	30,000 - 35,000
Total	2	

ADMINISTRATIVE SUPPORT SERVICES

City Manager	1	90,876
Administrative Assistant	2	40,500 - 45,000
Community Development Dir.	1	67,000 - 77,000
Finance Officer	1	49,500 - 59,500
Finance Assistant I	1.5	25,000 - 35,000
Finance Assistant II	3	29,000 - 39,000
IT Specialist Manager	1	45,000 - 60,000
IT Specialist	1	38,000 - 44,500
Team Support Service	1	46,900 - 53,500
Total	12.5	

City Hall

Building Maintenance	0.5	Hourly
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PUBLIC WORKS SUPPORT SERVICES

Public Works Superintendent	1	45,000 - 55,000
Utility	1	37,863 - 42,651*
Mechanic	1	40,950 - 45,171*
Inspector	1	
Total	4	

* Denotes that union negotiations are underway.

General Fund 01

Resources	Actual	Actual	Budget	Estimated	Proposed	Approved	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	Budget FY 07-08	Budget FY 07-08	Budget FY 07-08
Working capital carryover	\$ 562,129	\$ 825,718	\$ 630,861	\$ 630,861	\$ 669,561	\$ 669,561	\$ 669,561
Current year resources							
Property taxes	\$ 1,192,055	\$ 1,298,861	1,468,000	1,471,000	1,651,000		
Transient lodging tax	146,466	162,550	166,000	176,000	180,000		
Franchise fees	492,987	548,582	560,500	592,900	615,000		
Licenses and permits	90,253	80,758	141,100	178,900	306,700		
Intergovernmental revenues	563,209	714,139	318,100	449,200	412,600		
Charges for services	272,893	120,028	50,200	72,500	195,300		
Interest	55,035	24,152	24,000	39,000	32,000		
Miscellaneous	151,092	14,119	99,000	117,800	112,000		
Debt proceeds							
Transfers	779,567	27,700	100,000				
Total current year resources	\$ 3,743,557	\$ 2,990,889	\$ 2,926,900	\$ 3,097,300	\$ 3,504,600	\$ -	\$ -
Total resources	\$ 4,305,686	\$ 3,816,607	\$ 3,557,761	\$ 3,728,161	\$ 4,174,161	\$ 669,561	\$ 669,561
Expenditures							
Council	\$ 5,596		\$ -	\$ -	\$ -	\$ -	\$ -
Legal	68,447		-	-	-	-	-
Administration	355,219		-	-	-	-	-
Insurance	59,804		-	-	-	-	-
Community development	284,469	413,076	627,900	561,100	792,100	-	-
Police	1,507,521	1,840,138	2,293,600	2,318,400	2,599,200	-	-
Police facility	-	127,597	45,900	49,900	65,400	-	-
Dispatch	490,282	720,133	-	-	-	-	-
Dinner Train	225,692		-	-	-	-	-
Non-departmental	482,938	84,802	75,300	129,200	156,000	-	-
Transfers							
Contingency			515,061		561,461	669,561	669,561
Total expenditures	\$ 3,479,968	\$ 3,185,746	\$ 3,557,761	\$ 3,058,600	\$ 4,174,161	\$ 669,561	\$ 669,561

General Fund 01

	Actual	Actual	Budget	Estimated	Proposed	Approved	Adopted
Police Expenditures	FY 04-05	FY 05-06	FY 06-07	FY 06-07	Budget FY 07-08	Budget FY 07-08	Budget FY 07-08
Police							
Personal Services	\$ 1,297,203	\$ 1,446,116	\$ 1,596,800	\$ 1,572,800	\$ 1,736,900		
Materials & Services	147,362	162,989	211,700	255,400	292,200		
Capital Outlay	62,956	61,833	97,100	102,200	39,700		
Transfers	0	169,200	388,000	388,000	530,400		
Total expenditures	\$ 1,507,521	\$ 1,840,138	\$ 2,293,600	\$ 2,318,400	\$ 2,599,200	\$ -	\$ -

	Actual	Actual	Budget	Estimated	Proposed	Approved	Adopted
Police Facility Expenditures	FY 04-05	FY 05-06	FY 06-07	FY 06-07	Budget FY 07-08	Budget FY 07-08	Budget FY 07-08
Police Facility							
Materials & Services	\$ -	\$ 29,950	\$ 45,900	\$ 49,900	\$ 65,400		
Capital outlay		97,647					
Total expenditures	\$ -	\$ 127,597	\$ 45,900	\$ 49,900	\$ 65,400	\$ -	\$ -

Executive Summary

Police Services is a division of the Prineville Police Department, and is the part of the governmental process that provides public safety through the protection of life, property and the preservation of peace. The police have a responsibility to control both criminal and non-criminal conduct. This is accomplished through the enforcement of a wide variety of State and local laws, ordinances and regulations. The emphasis on prevention and problem-solving policing through community involvement, the regulating of non-criminal conduct, and other service-oriented activities accounts for expenditures of time and personnel resources.

FY 2006-2007 Accomplishments

- Achieved and maintained 100% of budgeted staffing level for the first time in several years
- Made significant changes to our operation in conjunction with the remodel to more efficiently serve the public with the resources we currently have.
- Hired and trained two (2) new replacement Police Officers.
- Implemented several personnel changes for cost saving measures.
- Updated the Police Department's 10 year strategic plan.
- Implemented new procedures in using less lethal force, responsible for saving at least one life.
- Acquired a new generator for the Police Department, 911 Center and Crook County Jail paid 100% through a homeland security grant.
- Began training and the implementation of the "My Cop, My Neighborhood" program.

Operational Objectives

- Protection of life and property through control, prevention and suppression of crime
- Safeguard the rights of individuals
- Control of conduct and maintenance of peace and public order
- Apprehension of law violators through enforcement of local ordinances
- Traffic safety and control

FY 2007-2008 Goals and Objectives

In the year ahead Police Services will continue to refine efficiencies, enhance the professionalism of our Officers and maximize on the successes of the remodel of the old City Hall, in order to ensure the tax payer receives the best service, at the maximum value for their dollar. Our objective, "to maintain a small town feel" and to live up to the Missions of both the Police

Department and the City of Prineville will be directly tied to our ability to put officers on the street in numbers, relative to the demand for services, that we have been able to in the past. Long range planning and development for a new revenue sources to support increased demands on 911 fees and Police operations will be a key piece of our strategic planning next year. The Police Department will work to enhance it's capabilities in the area of Emergency Management.

In the year ahead we will:

- Begin the implementation of the "My Cop, My Neighborhood" community policing program.

Performance Measures

- Surveyed employees attitudes towards safety
- Citizen Satisfaction with Police Services
- Employee satisfaction with job related conditions
- CALEA or equivalent Certification
- Public participation in annual crime prevention programs
- Number of officer initiated calls versus number of citizen initiated calls
- Number of arrests per reported crimes
- Ordinance complaints handled by Community Service Officer
- Case clearance rate

Police Services – Staffing Summary

	FTE
Chief of Police	1.00
Captain	1.00
Sergeants	4.00
Police Officers	11.00
Community Service Officer	1.00
Administrative Assistant	0.66
Office Technician	0.50
Evidence Technician	1.00
Janitorial	.50
Total	20.66

General Fund 01

Community Development

	Actual	Actual	Budget	Estimated	Proposed Budget	Approved Budget	Adopted Budget
Expenditures	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 07-08	FY 07-08	FY 07-08
Community Development							
Personal Services	\$ 182,381	\$ 223,033	\$ 230,900	\$ 207,900	\$ 334,900		
Materials & Services	92,088	105,643	293,200	249,400	286,600		
Capital Outlay	10,000						
Transfers	-	84,400	103,800	103,800	170,600		
Total expenditures	\$ 284,469	\$ 413,076	\$ 627,900	\$ 561,100	\$ 792,100	\$ -	\$ -

Executive Summary

The City's Planning Department assists residents and customers with their current planning needs. The department also develops and manages the long range planning documents for the city. The department is responsible for meeting local, State, and Federal mandates regarding community growth and land use permit regulations.

FY 2006-2007 Accomplishments

- The City processed 180 permits (to date, 4-23-07) a decrease from the previous year.
- The planning staff is anticipating an increase in the number of Residential permits in the upcoming fiscal year due to new master plans, consortium issue resolution, and the anticipated legislative correction rezoning.
- Staff completed various studies for managing growth.
- Staff completed a new procedures ordinance to guide and manage land use processes.
- Staff evaluated a data base system for tracking land use activities.
- Staff modified the Sign Code.
- Staff created a new Comprehensive Map and GIS archive.
- Staff successfully implemented various mixed-use and master plan strategies.
- Staff has researched the ways and means for developing needed infrastructure improvement areas, i.e. Consortiums.
- Staff continues to monitor permit fees for land use applications in an effort to better reflect the actual staff time associated with processing permits.
- Staff has begun the process for Downtown and Commercial Design Review.
- Staff has lobbied and successfully coordinated flood data collection projects with the Army Corps of Engineers.
- Staff has engaged experts to collect and analyze Goal 5, 6, 7, data related to natural resources, open spaces, historic structures and places, natural hazards, scenic views, etc.

Operational Objective

The Prineville Planning Department is to contribute to economic development, growth and stability of our community while maintaining the small-town character and overall livability of Prineville. We will achieve this by assisting existing and prospective businesses and residents through a consistent and mutually-understood planning and regulatory process.

FY 2007-2008 Goals and Objectives

The specific objectives of the Planning Department for the upcoming fiscal year are as follows:

- Hire a City Engineer and Code Enforcement staff person..
- Review and update implementing ordinances to ensure consistency with adopted plans.
- Complete Downtown and Commercial Design Review ordinances.
- Install and utilize new database software.

- Continue to develop flood plain drainage and mitigation strategies in addition to typical storm water drainage systems.
- Complete SDC methodology.
- Update Public Facility Plans including the Transportation System Plan, Water Master Plan, Wastewater Master Plan, and Drainage Master Plan as needed.
- Develop and implement a Capital Improvement Plan including an associated funding and implementations schedule.
- Refine and implement the Downtown Development Plan.
- Consider expansion of the Urban Growth Boundary.

Performance Measures

- Customer Satisfaction with the service received
- Employees feel all safety regulations are in place and being followed.
- Costs per unit of service are in place for all major activities.
- Current master plans are in place for major infrastructure needs.
- Ordinances are adopted which implement the adopted master plans.

Community Development - Staffing Summary

	FTE
City Engineer	1.0
Senior Planner	1.0
Planner	1.0
Code Enforcement Officer	.5
Planning Technician	1.0
Total	4.5

General Fund 01

Non-departmental Expenditures	Actual	Actual	Budget	Estimated	Proposed	Approved	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	Budget FY 07-08	Budget FY 07-08	Budget FY 07-08
Non-departmental							
Personal Services	\$ 77,004						
Materials & Services	306,914	73,998	75,300	129,200	156,000		
Capital Outlay		10,804					
Transfers	99,020			-			
Debt service							
Natural gas line loan	0						
Total expenditures	\$ 482,938	\$ 84,802	\$ 75,300	\$ 129,200	\$ 156,000	\$ -	\$ -

Executive Summary

Funding of activities that are not directly associated with City operations are accounted for in non-departmental. Although the expenditures are discretionary, generally there are agreements between the City and the receiving party for various services or other requirements for the expenditure of the funds.

This fund includes money for the Crook County Chamber of Commerce, the Crook County Fairgrounds, Airport, and unusual or unanticipated funding requests.

Special Revenue Fund
Fund effective FY 2006
Transportation Fund 10

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover		\$ 321,024	\$ 320,261	\$ 435,647	\$ 427,747	\$ 427,747	\$ 427,747
Current year resources							
Intergovernmental		\$ 713,072	\$ 624,500	\$ 650,600	\$ 842,600		
Interest		13,724		19,000	10,000		
Miscellaneous		53,151		16,000	25,000		
Transfers from other funds	321,024						
Total current year resources	\$ 321,024	\$ 779,947	\$ 624,500	\$ 685,600	\$ 877,600	\$ -	\$ -
Total resources	\$ 321,024	\$ 1,100,971	\$ 944,761	\$ 1,121,247	\$ 1,305,347	\$ 427,747	\$ 427,747
Expenditures							
Personal services		\$ 133,752	\$ 136,400	\$ 140,000	\$ 155,200		
Material & services		225,492	335,400	283,800	353,100		
Capital outlay							
Equipment					195,000		
Improvements		83,518	118,000	82,000	277,000		
Debt service							
Capital lease - street sweeper		19,562	19,600	19,600	19,600		
Transfers		203,000	168,100	168,100	199,700		
Contingency			167,261		105,747	427,747	427,747
Total expenditures	\$ -	\$ 665,324	\$ 944,761	\$ 693,500	\$ 1,305,347	\$ 427,747	\$ 427,747
Ending working capital	\$ 321,024	\$ 435,647	\$ -	\$ 427,747	\$ -	\$ -	\$ -

Executive Summary

The Street Department is a part of the Public Works Department, and has the primary responsibility to maintain the city streets and rights of way. This work includes weed control, street sweeping, paving, and road stripping. The department also maintains street signs, storm drains, and some traffic control lights. The department works cooperatively with other city departments and agencies on projects that require the use of excavation and earth moving equipment.

FY 2006-2007 Accomplishments

The department accomplished a full year's worth of routine maintenance projects on Prineville's road and sidewalk system. Some details of this effort are:

- 353 tons of Street Sweepings
- 150 yards of road surface gravel
- 1,024 yards of asphalt overlay

Additionally, the department worked with the Oregon Department of Transportation developing wetlands at the Wastewater Treatment Plant, facilitated the replacement of 600' of sidewalks, constructed a new parking area for Pioneer Park, participated in the regions development of a storm water master plan, and developed five year capital improvement plans.

The department was actively involved in many cooperative efforts, including:

- The development of a railroad unloading facility.
- Hauling gypsum for maintenance at the Wastewater Treatment Facility.
- Placing river bank riprap at Meadow Lakes Golf Course.
- Extending gas service to the Railroad Depot.
- Prepared the parking lot for paving for a new city park in Northridge.

Operational Objectives

To provide a friendly and responsive source of information and coordinated services assuring the present and future health, safety and welfare of the public through cost-effective maintenance, planning, permitting, inspections, and operations of our transportation systems, recognizing the key to our success is the efficient and motivated efforts of quality individuals.

FY 2007-2008 Goals and Objectives

- Develop a street inventory system to plan for long-term road maintenance costs.
- Overlay several roads consistent with *Repair and Maintenance Capital Improvement Plan*.
- Upgrade two sidewalk intersections to ADA compliance.
- Develop a Pedestrian Safety Plan, incorporating priority pedestrian improvements.

Performance Measures

- Employees who rate safety as a cultural ethic.
- Employee satisfaction with job related conditions.
- Citizen satisfaction with Street Department services.
- Pavement rating of "good".
- Traffic flow conditions are rated "C."
- Sidewalks are rated as "good" and ADA compliant.
- Adequate pedestrian facilities around schools.
- Signage is recognized as contributing to the small-town character.
- Drainage is adequate and complies with regulations.

Street Department - Staffing Summary

	FTE
Utility Workers	2.0
Total	2.0

Special Revenue Fund
Fund effective FY 2007
Emergency Dispatch 11

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ -	\$ -	\$ -	\$ 75,700	\$ 75,700	\$ 75,700
Current year resources							
Intergovernmental			\$ 720,100	\$ 684,200	\$ 461,700		
Interest			2,000	-	4,000		
Miscellaneous			200	1,900	2,200		
Transfers from other funds			196,200	196,200	289,200		
Total current year resources	\$ -	\$ -	\$ 918,500	\$ 882,300	\$ 757,100	\$ -	\$ -
Total resources	\$ -	\$ -	\$ 918,500	\$ 882,300	\$ 832,800	\$ 75,700	\$ 75,700
Expenditures							
Personal services			\$ 530,300	\$ 450,800	\$ 607,100		
Material & services			116,300	113,000	116,300		
Capital outlay							
Equipment			188,200	161,000	38,700		
Transfers			81,800	81,800	40,400		
Contingency			1,900		30,300	75,700	75,700
Total expenditures	\$ -	\$ -	\$ 918,500	\$ 806,600	\$ 832,800	\$ 75,700	\$ 75,700
Ending working capital	\$ -	\$ -	\$ -	\$ 75,700	\$ -	\$ -	\$ -

Executive Summary

Dispatch services is a division of the Police Department, and is that part of the governmental process that supports public safety by providing inter-operable communications throughout Prineville and Crook County. Dispatch services, in addition to supporting Police Services, also contracts services for Crook County Fire and Rescue, Crook County Sheriff's Office, the BLM and US Forest Service. The division performs a number of administrative functions requested by our users, supporting their respective public safety missions.

FY 2006-2007 Accomplishments

- Made significant changes to our operation in conjunction with the remodel to more efficiently serve the public with the resources we currently have, increased dispatch center physical capacity by fifty percent.
- Hired and trained two (2) new replacement dispatchers.
- Phase I of computer mapping upgrades.
- Upgraded all 911/Communications software.
- Implemented several personnel changes for cost saving measures.
- Updated the Police Department's 10 year strategic plan.
- Acquired a new generator for the Police Department, 911 Center and Crook County Jail paid 100% through a homeland security grant.

Operational Objectives

- Protection of life and property through effective coordination and communications support to police services and contracted users.
- Safeguard the rights of individuals
- Control and maintenance of critical communications infrastructure.

FY 2007-2008 Goals and Objectives

In the year ahead the Dispatch Services will continue to refine efficiencies, enhance the professionalism of our Officers and maximize on the successes of the remodel of the old City Hall, in order to ensure the tax payer receives the best service, at the maximum value for their dollar. Our objective, "to maintain a small town feel" and to live up to the Missions of both the Police Department and the City of Prineville will be directly tied to our ability to effectively coordinate communications between our officers on the street and citizens needing emergency services. We will be implementing the second phase of a key mapping program upgrade that will significantly enhance our abilities to coordinate law enforcement responses to all areas of the County and beyond. Long range planning and development for a new revenue source to support increased demands on 911/Dispatch Services will be a key piece of our strategic planning next year.

In the year ahead we will:

- Continue to enhance security and maintenance of the current aging police facility.

Performance Measures

- Surveyed employee's attitudes towards safety
- Citizen satisfaction with dispatch services
- Employee satisfaction with job related conditions
- CALEA or equivalent certification
- Public participation in annual crime prevention programs

Dispatch Services – Staffing Summary

Dispatch Services is a division within the Police Department and therefore shares resources for some employees with Police Services. There are a total of 8 employees under the direct supervision of the Communications Director.

	FTE
Communications Director	1.00
Administrative Assistant	0.33
Supervisor	1.00
Communications Officers	6.00
Office Tech	0.50
Janitorial	0.50
Total	9.33

The following information was accounted for in the General Fund for the years presented and are provided here for comparative purposes.

	Actual	Actual	Budget	Estimated	Proposed	Approved	Adopted
Expenditures	FY 04-05	FY 05-06	FY 06-07	FY 06-07	Budget	Budget	Budget
					FY 07-08	FY 07-08	FY 07-08
Emergency Dispatch							
Personal Services	\$ 410,879	\$ 444,080	\$ -				
Materials & Services	67,126	73,627	-				
Capital Outlay	12,277	117,826	-				
Transfers	0	84,600	-				
Total expenditures	\$ 490,282	\$ 720,133	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service Fund

LID Debt Service Fund - 40

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ 800,013	\$ 934,796	\$ 696,966	\$ 712,473	\$ 538,373	\$ 538,373	\$ 538,373
Current year resources							
Intergovernmental	\$ -		\$ 35,000	\$ 35,000	\$ 35,000		
Interest	7,506	28,479	23,000	23,000	18,000		
Assessment repayments	575,503	83,388	51,700	124,700	195,100		
Transfers	-						
Total current year resources	\$ 583,009	\$ 111,867	\$ 109,700	\$ 182,700	\$ 248,100	\$ -	\$ -
Total resources	\$ 1,383,022	\$ 1,046,663	\$ 806,666	\$ 895,173	\$ 786,473	\$ 538,373	\$ 538,373
Expenditures							
Materials and services			\$ 1,300	\$ 1,300	\$ 1,300		
Debt service							
Principal							
E. 3rd Street LID - 1996	75,000	80,000	85,000	85,000	0		
Spruce Lane LID - 2001	9,200	9,200	9,200	9,200	9,200		
10th St/Madras Hwy LID - 2003	5,748	6,081	6,500	6,500	6,800		
Northridge LID - 2003	40,000	45,000	55,000	55,000	55,000		
Ochoco Hwy LID - 2004	7,836	78,300	17,200	17,200	18,100		
Peters Rd LID - 1998	60,000	60,000	65,000	65,000	70,000		
Ironhorse LID - 2006				24,000	50,000		
Interest							
E. 3rd Street LID - 1996	11,185	6,960	2,400	2,400	0		
Spruce Lane LID - 2001	3,623	3,140	2,700	2,700	2,200		
10th Street/Madras Hwy LID - 2003	4,084	3,750	3,400	3,400	3,000		
Northridge LID - 2003	22,525	20,825	18,900	18,900	18,900		
Ochoco Hwy LID - 2004	850	9,759	8,900	8,900	8,000		
Peters Rd LID - 1998	11,675	8,975	6,300	6,300	3,300		
Ironhorse LID - 2006				51,000	99,900		
Transfers	196,500	2,200	-				
Contingency			524,866		440,773	538,373	538,373
Total expenditures	\$ 448,226	\$ 334,190	\$ 806,666	\$ 356,800	\$ 786,473	\$ 538,373	\$ 538,373
Ending working capital	\$ 934,796	\$ 712,473	\$ -	\$ 538,373	\$ -	\$ -	\$ -

Executive Summary

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 property owners on bonded and unbonded assessments. Expenditures are for debt service requirements.

Finance staff oversee billing and collection activities. Currently, there are very few delinquent accounts.

Debt Service Fund

Fire Hall/Water G.O. Debt Service Fund - 41

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ 37,320	\$ 53,536	\$ 51,286	\$ 47,430	\$ 48,096	\$ 48,096	\$ 48,096
Current year resources							
Property taxes	\$ 102,790	\$ 80,439	\$ 85,000	\$ 87,500	\$ 84,000		
Interest	76	2,105	1,400	3,500	2,500		
Total current year resources	\$ 102,866	\$ 82,544	86,400	\$ 91,000	\$ 86,500	\$ -	\$ -
Total resources	\$ 140,186	\$ 136,080	137,686	\$ 138,430	\$ 134,596	\$ 48,096	\$ 48,096
Expenditures							
Debt service							
Principal							
G.O. Bonds	\$ 60,000	\$ 65,000	\$ 70,000	\$ 70,000	\$ 75,000		
Interest							
G.O. Bonds	26,650	23,650	20,334	20,334	16,700		
Other requirements			47,352		42,896	48,096	48,096
Total expenditures	\$ 86,650	\$ 88,650	\$ 137,686	\$ 90,334	\$ 134,596	\$ 48,096	\$ 48,096
Ending working capital	\$ 53,536	\$ 47,430	\$ -	\$ 48,096	\$ -	\$ -	\$ -

Executive Summary

This fund accounts for the repayment of voter approved general obligation bonds issued for water system improvements and fire hall improvements. The primary source of revenue is property taxes. Property taxes levied are in addition to the City's general operating levy and are excluded from the State's property tax limitation. The bond matures in 2011.

The amount of the debt service reserve (\$42,896) is adequate to allow the City to levy taxes slightly less than scheduled debt service through maturity.

Revenue

Working capital carryover: This represents the net current assets available to the City for use in the ensuing fiscal year.

Property taxes: The budget includes a property tax levy of \$85,000. The estimated tax rate for fiscal year 2007 is \$.17 per thousand taxable assessed value.

Debt Service Fund

Industrial Park Debt Service Fund - 47

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ (83,097)	\$ (83,097)	\$ 818	\$ 908	\$ 424	\$ 424	\$ 424
Current year resources							
Interest	\$ -						
Miscellaneous		54,439					
Debt Proceeds		150,000					
Land rent			125,000	125,000	132,000		
Transfers	87,185	8,000					
Total current year resources	\$ 87,185	\$ 212,439	\$ 125,000	\$ 125,000	\$ 132,000	\$ -	\$ -
Total resources	\$ 4,088	\$ 129,342	\$ 125,818	\$ 125,908	\$ 132,424	\$ 424	\$ 424

Expenditures	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Materials and services	\$ -	\$ 3,750	\$ 800	\$ 800	\$ 1,500		
Debt service							
Principal							
126 - 1996	43,329	45,928	48,683	48,683	51,700		
OEDD Conditional Grant							
Natural gas loan		37,500	37,500	37,500	37,500		
Interest							
126 - 1996	43,856	41,256	38,501	38,501	35,600		
Natural gas loan							
Railroad note payable					6,000		
Contingency			334		124	424	424
Total expenditures	\$ 87,185	\$ 128,434	\$ 125,818	\$ 125,484	\$ 132,424	\$ 424	\$ 424
Ending working capital	\$ (83,097)	\$ 908	\$ -	\$ 424	\$ -	\$ -	\$ -

Executive Summary

This fund accounts for the repayment of debt issued through the Oregon Economic and Community Development Department and Central Electric Cooperative for infrastructure improvements at the industrial park southwest of the City. Previously general fund resources were utilized to repay these debts. After an evaluation of alternative repayment sources, it was determined that the freight depot, through the Railroad Fund, would pay estimated market rent for the industrial land they utilize, as compensation for the acquisition of the freight depot property through a land swap.

Capital Projects Fund LID Construction Fund - 30

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current year resources							
Intergovernmental revenue	\$ -		\$ -				
Interest							
Debt proceeds	202,079	1,750,000	3,100,000		3,100,000		
Transfers	-						
Total current year resources	\$ 202,079	\$ 1,750,000	\$ 3,100,000	\$ -	\$ 3,100,000	\$ -	\$ -
Total resources	\$ 202,079	\$ 1,750,000	\$ 3,100,000	\$ -	\$ 3,100,000	\$ -	\$ -
Expenditures							
Capital outlay							
Street improvements	\$ -						
Water improvements	-		1,500,000		1,500,000		
Wastewater improvements	196,619	1,700,000	1,500,000		1,500,000		
Interest							
Interim bank financing		50,000	100,000		100,000		
Transfers	5,460						
Contingency							
Total expenditures	\$ 202,079	\$ 1,750,000	\$ 3,100,000	\$ -	\$ 3,100,000	\$ -	\$ -
Ending working capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Executive Summary

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 property owners on bonded and un-bonded assessments. Expenditures are for debt service requirements.

There are no projects planned at this time.

Capital Project Funds Transportation SDC Fund - 33

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ 391,689	\$ 339,289	\$ 322,529	\$ 709,029	\$ 709,029	\$ 709,029
Current year resources							
Intergovernmental	\$ -						
Interest	-	13,167	9,000	18,000	15,000		
System development charges	-	461,605	550,000	500,000	578,600		
Transfers	391,689						
Total current year resources	\$ 391,689	\$ 474,772	\$ 559,000	\$ 518,000	\$ 593,600	\$ -	\$ -
Total resources	\$ 391,689	\$ 866,461	\$ 898,289	\$ 840,529	\$ 1,302,629	\$ 709,029	\$ 709,029
Expenditures							
Material & services	\$ -	\$ -	\$ 30,000	\$ 4,000	\$ 30,000		
Capital outlay							
Improvements		509,424	750,000	100,000	1,100,000		
Debt service - interest note payable		1,808					
Transfers	-	32,700	27,500	27,500	54,000		
Contingency	-		90,789	-	118,629	709,029	709,029
Total expenditures	\$ -	\$ 543,932	\$ 898,289	\$ 131,500	\$ 1,302,629	\$ 709,029	\$ 709,029
Ending working capital	\$ 391,689	\$ 322,529	\$ -	\$ 709,029	\$ -	\$ -	\$ -

Executive Summary

This fund accounts for the receipt and expenditures of transportation System Development Charges (SDC's). This fund was created to improve accountability, planning and investment of SDC's in transportation capital improvements.

The current SDC charged is one-hundred percent of the maximum allowed amount as determined in an analysis of the City's transportation requirements. The amount of the SDC's included in the budget reflects a 3.3% increase to account for the inflation adjustment for the past year.

The City has updated its Transportation System Plan (TSP). The TSP will serve as the foundation for an update to the City's SDC methodology and maximum SDC allowed. The budget includes \$30,000 for the SDC update project. The SDC work will serve the City for the next five years when another update will be appropriate.

We have budgeted \$25,000 to be used for work that might be done by the newly hired City Engineer, on master plan improvements.

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 Transportation SDC fund are 5%. General Fund (2%) and Administrative Internal Service Fund (3%).

Capital Outlay

Second Street Egress	\$400,000
Juniper Street Re-alignment	\$700,000

Capital Project Fund Water SDC Fund - 34

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ 195,817	\$ 319,338	\$ (391,714)	\$ 1,087,086	\$ 1,087,086	\$ 1,087,086
Current year resources							
Intergovernmental	\$ -						
Interest		6,059	17,000		10,000		
System development charges		461,909	500,000	500,000	512,000		
Debt proceeds			800,000	1,900,000			
Transfers	195,817						
Total current year resources	\$ 195,817	\$ 467,968	\$ 1,317,000	\$ 2,400,000	\$ 522,000	\$ -	\$ -
Total resources	\$ 195,817	\$ 663,785	\$ 1,636,338	\$ 2,008,286	\$ 1,609,086	\$ 1,087,086	\$ 1,087,086
Expenditures							
Material & services	\$ -		\$ 30,000	\$ 10,000	\$ 30,000		
Capital outlay							
Improvements		1,159,130	1,100,000	700,000	1,200,000		
Debt service							
Principal - short-term borrowing			300,000	151,000	140,000		
Interest - short-term borrowing			37,000	35,200	95,000		
Transfers		29,000	25,000	25,000	50,600		
Contingency			144,338	-	93,486	1,087,086	1,087,086
Total expenditures	\$ -	\$ 1,188,130	\$ 1,636,338	\$ 921,200	\$ 1,609,086	\$ 1,087,086	\$ 1,087,086
Ending working capital	\$ 195,817	\$ (524,345)	\$ -	\$ 1,087,086	\$ -	\$ -	\$ -

Executive Summary

This fund accounts for the receipt and expenditures of water System Development Charges (SDC's) improvement fees. Effective fiscal year 2005-06 this fund was created to improve accountability, planning and investment of SDC's in water capital improvements.

The current SDC charged is one-hundred percent of the maximum allowed amount as determined in an analysis of the City's water system requirements. The amount of the SDC's included in the budget reflects a 3.3% increase to account for the inflation adjustment for the past year.

The City has updated its water system master plan. The plan will serve as the foundation for an update to the City's SDC methodology and maximum SDC allowed. The budget includes \$30,000 for this project. The SDC work will serve the City for the next five years when another update will be appropriate. The last study was performed in 2000.

We have budgeted \$25,000 to be used for work that might be done by the newly hired City Engineer, on master plan improvements.

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 Water SDC fund are 5%. General Fund (2%) and Administrative Internal Service Fund (3%).

Capital Outlay

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 (expected to be completed in next fiscal year)
Total	\$1,200,000

Capital Projects Fund Wastewater SDC Fund - 35

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ 307,426	\$ 99,895	\$ 200,440	\$ 239,740	\$ 239,740	\$ 239,740
Current year resources							
Intergovernmental	\$ -						
Interest		5,244		8,900	8,000		
System development charges	1,314,008	614,806	650,000	673,900	844,800		
Debt proceeds		800,000					
Transfers	77,495						
Total current year resources	\$ 1,391,503	\$ 1,420,050	\$ 650,000	\$ 682,800	\$ 852,800	\$ -	\$ -
Total resources	\$ 1,391,503	\$ 1,727,476	\$ 749,895	\$ 883,240	\$ 1,092,540	\$ 239,740	\$ 239,740
	32500						
Expenditures	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Material & services	\$ -	\$ 4,000	\$ 50,000	\$ 25,000	\$ 10,000		
Capital outlay							
Improvements		880,216					
Debt service							
Principal - short-term borrowing		-	150,000	138,100	155,200		
Interest - short-term borrowing		51,699	40,000	47,900	30,900		
Transfers	1,084,077	430,600	432,500	432,500	42,000		
Contingency	-		77,395	-	854,440	239,740	239,740
Total expenditures	\$ 1,084,077	\$ 1,366,515	\$ 749,895	\$ 643,500	\$ 1,092,540	\$ 239,740	\$ 239,740
Ending working capital	\$ 307,426	\$ 360,961	\$ -	\$ 239,740	\$ -	\$ -	\$ -

Executive Summary

This fund accounts for the receipt and expenditures of Wastewater System Development Charges (SDC's) improvement fees. Effective fiscal year 2005-06 this fund was created to improve accountability, planning and investment of SDC's in wastewater capital improvements.

The current SDC charged is one-hundred percent of the maximum allowed amount as determined in an analysis of the City's wastewater requirements.

The proposed budget includes an SDC fee of \$8,677, which is one-hundred percent of the maximum allowed amount per the updated SDC Methodology presented to the Council on April 2007. An ordinance adopting the fee is expected to be considered by the Council in June 2007.

We have budgeted \$25,000 to be used for work that might be done by the newly hired City Engineer, on master plan improvements.

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 Wastewater SDC fund are 3%. General Fund (1%) and Administrative Internal Service Fund (1%). One percent (1%) will be retained in the fund for SDC methodology updates.

There are currently no projects planned by the City of Prineville that are master plan improvements. It is anticipated that any projects that occur this year will be completed by developers.

Capital Project Fund
Closed Fund
Sewer Improvement Fund - 62

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ 549,911	\$ 323,820	\$ -	\$ 103,668	\$ -	\$ -	\$ -
Current year resources							
Interest	\$ -	\$ 14,052		\$ 5,000			
Debt proceeds	6,204,651	2,324,320	500,000	210,000			
Other	11,153		-				
Transfers	-		-				
Total current year resources	\$ 6,215,804	\$ 2,338,372	\$ 500,000	\$ 215,000	\$ -	\$ -	\$ -
Total resources	\$ 6,765,715	\$ 2,662,192	\$ 500,000	\$ 318,668	\$ -	\$ -	\$ -
Expenditures							
Materials and services	\$ -						
Capital outlay							
Improvements	6,441,895	2,558,524	500,000	172,000			
Trans to other funds				146,668			
Contingency			-		-	-	-
Total expenditures	\$ 6,441,895	\$ 2,558,524	\$ 500,000	\$ 318,668	\$ -	\$ -	\$ -
Ending working capital	\$ 323,820	\$ 103,668	\$ -	\$ -	\$ -	\$ -	\$ -

Executive Summary

This fund accounts for the construction of the wastewater treatment plant expansion project, which was completed during the previous fiscal year. This fund includes a transfer to wastewater fund. This will close the fund.

Enterprise Fund Railroad Fund - 50

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ 3,926,338	\$ 3,041,312	\$ 2,178,912	\$ 2,190,306	\$ 1,492,406	\$ 1,492,406	\$ 1,492,406
Current year resources							
Charges for services	\$ 171,671	\$ 268,437	\$ 460,300	\$ 368,000	\$ 525,500		
Use of money & property	142,889	6,760	137,100	96,400	192,500		
Miscellaneous		(7,405)	38,800	102,800	-		
Total current year resources	\$ 314,560	\$ 267,792	\$ 636,200	\$ 567,200	\$ 718,000	\$ -	\$ -
Total resources	\$ 4,240,898	\$ 3,309,104	\$ 2,815,112	\$ 2,757,506	\$ 2,210,406	\$ 1,492,406	\$ 1,492,406
Expenditures							
Personal services	\$ 251,121	\$ 458,942	\$ 544,400	\$ 522,900	\$ 566,200		
Material and services	299,392	340,461	390,400	374,900	369,000		
Capital outlay							
Improvements	355,475	98,299	58,500	6,500	34,000		
Transfers	293,598	71,096	160,800	60,800	94,500		
Loan to other funds		150,000		300,000			
Contingency			1,261,012		746,706	1,092,406	1,092,406
Total expenditures	\$ 1,199,586	\$ 1,118,798	\$ 2,415,112	\$ 1,265,100	\$ 1,810,406	\$ 1,092,406	\$ 1,092,406
Other requirements							
Commitment for debt service reserve	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Ending available working capital	\$ 2,641,312	\$ 1,790,306	\$ -	\$ 1,092,406	\$ -	\$ -	\$ -

Executive Summary

The City of Prineville Railway enhances the City's ability to attract new jobs, promotes tourism, and expands the ability of business's in Prineville and our region to be competitive. We do this through the delivery of a multitude of services including shipping, handling and planning the delivery of goods in and out of the area. We provide a level of service in handling freight as well as a relationship with the Class I railroads, that fills a niche in the freight movement industry which promises to provide a competitive edge for Prineville and Central Oregon.

FY 2006-2007 Accomplishments

- Obtained \$2,000,000 Connect Oregon grant
- Increased revenue by \$278,000 over last fiscal year.
- Reduced costs over the previous fiscal year.
- Completed the restoration of the Shea Locomotive.
- Operated excursion rides out of Prineville during community events.
- Expanded our customer base
- Redeveloped property to expand the unloading area for our largest customer
- Enhanced our image and reputation in the industry and across the state
- Obtained all of Les Schwab rail traffic

Operational Objectives

To contribute to the economic advantage of local and regional business and industry by providing a financially viable, affordable, alternative mode of transportation that enhances Central Oregon's competitive edge in the world economy.

FY 2007-2008 Goals and Objectives

- Increase freight revenue by 37% over last year
- Hold costs to a 3% increase over last year
- Use property in Deschutes County to attract new rail customers
- Obtain additional Connect Oregon grant funding

Performance Measures

Employees who rate safety as a cultural ethic
Positive operating margins
Retain our qualified staff
We have a diversified client base
Gross annual revenues
Railway contributes to Prineville's reputation as a showcase city
Costs per unit of service are in place for all operations

Railroad – Staffing Summary

	FTE
General Manager	1.00
Office Manager /Agent	1.00
Operators	4.00
Total	6.00

Enterprise Funds

Airport Fund - 51

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ 118,423	\$ 176,940	\$ 39,840	\$ 165,753	\$ 172,053	\$ -	\$ -
Current year resources							
Intergovernmental	\$ 298,730	\$ 1,457,836	\$ 910,500	\$ 21,000	\$ 1,885,500		
Charges for services	437,656	330,881	601,000	325,600	451,000		
Interest	1,400	1,148		900	5,000		
Ground leases	23,068	26,356	55,000	26,700	60,000		
Other	2,289	113	62,300	73,000	621,000		
Total current year resources	\$ 763,143	\$ 1,816,334	\$ 1,628,800	\$ 447,200	\$ 3,022,500	\$ -	\$ -
Total resources	\$ 881,566	\$ 1,993,274	\$ 1,668,640	\$ 612,953	\$ 3,194,553	\$ -	\$ -
Expenditures							
Materials and services	\$ 426,927	\$ 350,609	\$ 597,400	\$ 431,200	\$ 889,900		
Capital outlay							
Improvements	277,699	1,479,912	1,040,000	9,700	2,152,600		
Transfers							
Contingency			31,240	172,053	152,053	0	0
Total expenditures	\$ 704,626	\$ 1,830,521	\$ 1,668,640	\$ 612,953	\$ 3,194,553	\$ -	\$ -

Executive Summary

The Prineville/Crook County Airport is governed by a five-member commission created in an agreement between the City and County. Each body appoints two members and alternatingly appoints the fifth member.

Accomplishments

- Completed new taxiway.
- Obtained funding for a new terminal building.
- Installed self service fueling.

2006-07 Goals

- Seal runway 10/28
- Construct new terminal building
- Construct new hangers

Enterprise Fund
Fund effective FY 2006
Water Fund 52

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ 213,619	\$ 275,276	\$ 477,830	\$ 706,530	\$ 706,530	\$ 706,530
Current year resources							
Charges for services		\$ 1,308,553	\$ 1,350,400	\$ 1,381,800	\$ 1,508,000		
Interest		7,420	2,500	25,000	25,000		
Miscellaneous		55,292		500			
Total current year resources	\$ -	\$ 1,371,265	\$ 1,352,900	\$ 1,407,300	\$ 1,533,000	\$ -	\$ -
Total resources	\$ -	\$ 1,584,884	\$ 1,628,176	\$ 1,885,130	\$ 2,239,530	\$ 706,530	\$ 706,530
Expenditures							
Personal services	\$ -	\$ 216,590	\$ 267,100	\$ 232,400	\$ 297,900		
Materials and services		420,820	548,300	428,600	678,400		
Capital outlay							
Equipment							
Improvements		23,823	110,000	60,000	250,000		
Debt service							
Principal							
Water revenue bond 2003		30,000	30,000	30,000	35,000		
Interest							
Water revenue bond 2003		35,200	34,570	34,600	33,800		
Transfers		377,300	393,000	393,000	500,500		
Contingency			245,206		443,930	706,530	706,530
Total expenditures	\$ -	\$ 1,103,733	\$ 1,628,176	\$ 1,178,600	\$ 2,239,530	\$ 706,530	\$ 706,530
Ending working capital	\$ -	\$ 481,151	\$ -	\$ 706,530	\$ -	\$ -	\$ -

Executive Summary

The Water Department is a part of the City's Public Works Department, and has the primary responsibility to insure that the City's water meets or exceeds all regulatory standards. The City's water system currently provides to 3308 residential accounts and 421 commercial and industrial accounts.

Significant customer growth is projected during the next several years. Staff is working with the City Engineer and consultants to provide new water sources to meet this demand.

FY 2006-2007 Accomplishments

In addition to routine maintenance, the department accomplished the following:

- During fiscal year 2006-2007, the City worked along side the City's engineer to identify and assess new opportunities for additional water supply.
- Replaced electrical panel at the Hospital Booster Pump Station and added a pump.
- Developed standards and specifications for the installation of publicly owned infrastructure.
- Converted bulk water customers for dust abatement to Ochoco Irrigation District.
- Created five year Capital Improvement Plans

Operational Objectives

The operational objective of the Water Department is to deliver water to our customers that exceeds the standards of the state, and maintains the water system in a way that protects the investment of the citizens.

FY 2007-2008 Goals and Objectives

The goals and objectives for the Water Department are:

- Identify new water sources for immediate development.
- Learn the working operation of the computer water modeling program.
- Consider the long term maintenance of the state mandated cross connection program.
- Consider the use of remote meter readers.
- Implement hand held digital meter readers.
- Hire a Public Works Inspector.
- Review and amend City Ordinances related to the water system.
- Begin development of a water conservation program.
- Upgrade telemetry system.

Performance Measures

Employees who rate safety as a cultural ethic
Employee satisfaction with job related conditions
Citizen satisfaction with water services
Water loss below the state recommended levels
Water quality exceeds the state standards
Water use is below the state standard
Achieve departmental accreditation from AWWA

Water Department – Staffing Summary

	FTE
Utility	4.00
Total	4.00

Enterprise Fund
Fund effective FY 2006
Wastewater Fund 53

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ 382,191	\$ 2,096,335	\$ 2,407,283	\$ 1,721,101	\$ 1,721,101	\$ 1,721,101
Other resources							
Commitment Railroad Fund for debt reserve		\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Current year resources							
Charges for services		\$ 2,207,876	\$ 2,560,900	\$ 2,570,000	\$ 2,940,000		
Interest		37,844	75,000	67,000	62,500		
Miscellaneous		41,495	40,000	38,000	43,000		
SDC Reimbursement Fee					296,500		
Transfers		1,619,203	400,000	546,668	0		
Transfers - working capital							
Total current year resources	\$ -	\$ 3,906,418	\$ 3,075,900	\$ 3,221,668	\$ 3,342,000	\$ -	\$ -
Total resources	\$ -	\$ 4,688,609	\$ 5,572,235	\$ 6,028,951	\$ 5,463,101	\$ 2,121,101	\$ 2,121,101
Expenditures							
Personal services	\$ -	\$ 47,912	\$ 240,600	\$ 263,300	\$ 302,300		
Materials and services		393,414	690,800	625,400	675,800		
Capital outlay							
Equipment							
Improvements		76,116	100,000	100,000	275,000		
Debt service							
Principal							
SRRB 1998		195,000	205,000	205,000	210,000		
SRF 1992		129,877	133,774	133,774	137,787		
SPWF 1992		56,351	61,372	61,372	65,362		
DEQ CWSRF R74682/1		-	92,550	92,550	190,100		
DEQ CWSRF R74682/2		-	208,182	208,182	346,400		
BOTC		75,000					
Interest							
SRRB 1998		71,785	63,785	63,785	55,380		
SRF 1992		34,647	30,751	30,751	26,738		
SPWF 1992		31,924	28,179	26,903	24,189		
DEQ CWSRF R74682/1		-	738,840	738,091	177,600		
DEQ CWSRF R74682/2		-	518,691	491,342	252,300		
Fees							
DEQ CWSRF R74682/1			25,708	-	25,300		
DEQ CWSRF R74682/2			54,292	-	43,300		
Transfers		769,300	867,400	867,400	883,800		
Contingency			317,468		851,451	926,258	926,258
Total expenditures	\$ -	\$ 1,881,326	\$ 4,377,392	\$ 3,907,850	\$ 4,542,807	\$ 926,258	\$ 926,258
Other requirements							
Debt service reserves		\$ 1,194,843	\$ 1,194,843	\$ 1,194,843	\$ 920,294	\$ 1,194,843	\$ 1,194,843
Ending available working capital	\$ -	\$ 1,612,440	\$ -	\$ 926,258	\$ -	\$ -	\$ -

Executive Summary

The Sewer Department is part of the Public Works Department, and has the primary responsibility to insure the City’s sewer system meets or exceeds all regulatory standards. The sewer operation consists of sewer treatment, river discharge, and irrigation of Meadow Lakes Golf Course and over 350 acres of pastureland.

FY 2006-2007 Accomplishments

In addition to regular maintenance, the accomplishments of the Sewer Department include:

- Irrigated Meadow Lakes with irrigation water, “flushing” the soil to enhance the golf course’s ability to increase the amount of effluent we are able to dispose of
- Lined 2,500’ of aged sewer pipe to reduce infiltration
- Completed wetlands mitigation project with ODOT
- TV sewer line in the NW part of town.
- Worked regionally on a storm water runoff plan.

Operational Objectives

The function of the Sewer Department is to safely manage the treatment and disposal of sewer effluent in such a way as to minimize the cost to the community while exceeding the standard permit requirements, to protect our environment.

FY 2007-2008 Goals and Objectives

- Monitor Inflow and Infiltration upgrades.
- Develop five year capital improvement plan.
- Develop storm water management plan.

Performance Measures

Employees who rate safety as a cultural ethic
 Employee satisfaction with job related conditions
 Citizen satisfaction with wastewater service
 Inflow and Infiltration
 Treatment Plan efficiency
 Permit violations

Wastewater Department – Staffing Summary

	FTE
Utility	4.00
Total	4.00

Enterprise Fund Golf Course Fund Introduction

Meadow Lakes Golf Course is a wastewater disposal site. It is anticipated that as the debt is retired, and with the growth of Prineville, the golf course will generate revenue to offset the sewer rates of the community. Operating costs are paid from Golf revenues and a contribution from the Sewer fund from rates. Last year this contribution was reduced to \$350,000 from \$500,000.

In 2006 the City of Prineville went through an extensive planning process, and developed a business plan. Current revenue and expense estimates are that Meadow Lakes will end the year with \$24,000 profit. The current budget is developed to maintain the financial direction outlined in the plan.

Golf Course and Restaurant Fund - 54

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	(167,940)	\$ (155,622)	\$ 239,036	\$ 302,206	\$ 326,334	\$ 326,334	\$ -
Current year resources							
Charges for services							
Golf Course	\$ 686,102	\$ 733,104	\$ 810,900	\$ 827,800	\$ 908,300	\$ -	\$ -
Waste disposal	54,016	350,000	350,000	350,000	350,000	-	-
Restaurant	396,377	460,486	507,300	543,500	677,000	-	-
Other		20,517					
Interest	-	19,627	-	21,000	12,500	-	-
Miscellaneous			22,000	71,950	3,000		
Debt proceeds		450,000					
Total current year resources	\$ 1,136,495	\$ 2,033,734	\$ 1,690,200	\$ 1,814,250	\$ 1,950,800	\$ -	\$ -
Total resources	\$ 968,555	\$ 1,878,112	\$ 1,929,236	\$ 2,116,456	\$ 2,277,134	\$ 326,334	\$ -
Expenditures							
Golf Course	\$ 647,699	\$ 584,386	\$ 581,100	\$ 602,122	\$ 692,300	\$ -	\$ -
Waste disposal	55,779	452,097	497,200	473,400	525,100	-	-
Restaurant	420,699	539,423	536,600	662,000	727,200	-	-
Debt service							
Principal - note payable			64,100	52,600	64,100	64,100	64,100
Interest - note payable							
Contingency			250,236		268,434	262,234	(64,100)
Total expenditures	\$ 1,124,177	\$ 1,575,906	\$ 1,929,236	\$ 1,790,122	\$ 2,277,134	\$ 326,334	\$ -
Ending working capital	\$ (155,622)	\$ 302,206	\$ -	\$ 326,334	\$ -	\$ -	\$ -

Executive Summary

Meadow Lakes Golf Course serves as a municipal golf course and a wastewater disposal site. The course has been open for over thirteen years and continues to receive great reviews from the golfing public. The course also serves as a beautiful entryway into Prineville, and has seen tremendous growth in rounds played over the past few years. Meadow Lakes also receives great support from golfers outside of Prineville as well as many others who travel from as far away as Portland, Salem, and Seattle.

Waste Disposal

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Revenue							
Charges for services	\$ 54,016	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000		
Total revenue	\$ 54,016		\$ 350,000	\$ 350,000	\$ 350,000	\$ -	\$ -

Waste Disposal

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Personal services		\$ 368,805	\$ 373,700	\$ 359,300	\$ 387,300		
Materials and services		212,086	123,500	113,600	137,800		
Capital outlay							
Debt service	55,779						
Total expenditures	\$ 55,779	\$ 580,891	\$ 497,200	\$ 472,900	\$ 525,100	\$ -	\$ -

FY 2006-2007 Accomplishments

- Irrigated the course with fresh water this past season to “flush” the soils
- Completed Phase I of the riverbank restoration project
- Rebuilt all sand bunkers
- Installed an aeration device to restore pond back to health
- Planted 150 trees

Operational Objectives

The primary objective of Meadow Lakes Golf Course is to reduce the long-term tax burden on local tax payers by consistently creating a positive operating margin while providing high quality, enjoyable golfing and dining experiences for community members and guests in Central Oregon.

The course disposal site is charged with efficiently disposing of wastewater in an environmentally responsible way which maximizes the discharge while maintaining the course in a favorable condition for the golfing community.

FY 2007-2008 Goals

- Effectively increase the amount of treated wastewater applied to the golf course
- Phase II of the riverbank restoration project
- Experiment with aeration to restore the ponds treatment capacity

Performance Measures

Employees who rate safety as a cultural ethic
 Operating Margin
 User fee revenue reduced
 Customer satisfaction with services
 Wastewater disposal

Golf Course Disposal Site – Staffing Summary

	FTE	PTE
Superintendent/DOO	.75	
Full Time Staff	3.00	
Seasonal		2.25
Total	3.75	2.25

Golf Course Operations

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Revenue							
Golf	\$ 475,111		\$ 563,500	\$ 551,500	\$ 616,000		
Pro shop sales	76,716		92,600	106,500	106,500		
Rentals	134,275		154,800	169,800	185,800		
Total revenue	\$ 686,102		\$ 810,900	\$ 827,800	\$ 908,300	\$ -	\$ -

Golf Course Operations

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Personal services	\$ 169,600	\$ 205,621	\$ 211,500	\$ 215,200	\$ 232,100		
Materials and services	187,019	423,416	236,700	257,000	285,600		
Capital outlay							
Equipment	9,800	4,863	41,000	44,300	72,000		
Improvements	58,294						
Debt service							
Principal							
Note payable							
Railroad	11,521	6,714	-				
Golf cart lease	32,268	21,478	12,500	12,500	1,100		
Irrigation system							
Equipment leases			37,300	37,300	36,500		
Interest							
Railroad							
Golf cart lease							
Irrigation system							
Equipment leases							
Transfers	179,197	68,500	42,100	42,100	65,000		
Total expenditures	\$ 647,699	\$ 730,592	\$ 581,100	\$ 608,400	\$ 692,300	\$ -	\$ -

Golf Course Operations Executive Summary

It is a known fact that the golf generates the revenue for the City. The City has focused their efforts on getting people on the golf course. Management has instituted free golf lessons, special rates for youth golfers, and each summer, daily youth camps. With recent growth in Prineville, Meadow Lakes has seen a large jump in new members.

FY 2006-2007 Accomplishments

- Increased pro shop sales by an estimated \$20,000 over last year's sales.
- Overall customer satisfaction increased to over 93% in our yearly customer survey.
- Rounds of play increased an estimated 11%

Operational Objective

The primary objective of Meadow Lakes Golf Operations is to reduce the long-term tax burden on local tax payers by consistently creating a positive operating margin while providing high quality, enjoyable golfing experiences for community members and guests in Central Oregon.

2007-2008 Goals and Performance Measures

Achieve financial benchmarks identified in *Meadow Lakes Business Plan January 2006*

Performance Measures

Employees who rate safety as a cultural ethic
Operating Margin
User fee revenue reduced
Customer satisfaction with services

Golf Course Operations – Staffing Summary

	FTE	PTE
Director of Operations	.25	
Golf Professional	1.0	
Golf Shop	1.0	
Seasonal		2.00
TOTAL	2.25	2.00

Restaurant

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Revenue							
Food sales	\$ 274,073	\$ 302,409	\$ 350,300	\$ 380,000	\$ 488,000		
Beverage sales	120,204	135,712	153,000	156,500	179,000		
Rental of facilities	2,100	3,120	4,000	\$ 7,000	10,000		
Total revenue	\$ 396,377	\$ 441,241	\$ 507,300	\$ 543,500	\$ 677,000	\$ -	\$ -

Restaurant

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Personal services	\$ 224,155	\$ 236,483	\$ 260,200	\$ 328,000	\$ 340,200		
Materials and services	177,027	238,733	248,400	\$ 303,100	322,900		
Capital outlay							
Improvements	19,517				7,100		
Transfers		47,000	28,000	\$ 28,000	57,000		
Total expenditures	\$ 420,699	\$ 522,216	\$ 536,600	\$ 659,100	\$ 727,200	\$ -	\$ -

Executive Summary

Meadow Lakes Restaurant has enjoyed an increase in sales, but has struggled to hold down the costs associated with personnel. Management is challenged to deal with the added expense of public employee retirement and benefits. Consistent with the *Meadow Lakes Golf Course Business Plan*, management is making quarterly assessments of our course of action, to determine appropriate counter measures to correct this.

Recommendations made in the *Business Plan* have been implemented. Management has expanded financial reporting by assigning a staff person to generate daily updates on the restaurants financial status. The restaurant dinner schedule was scaled back during the off season to lower overhead expense during this slow period. Management has successfully expanded the banquet business.

FY 2006-2007 Accomplishments

- Nine wedding events and two class reunions booked for the 2006 summer season.
- A new Executive Chef has been hired.
- A new menu has been created which will feature a variety of dinner and lighter fare items.
- More accurate accounting and financial tracking systems have been implemented, daily flash. The Point of Sale system continues to be an important part of the overall strategies.
- Goss restaurant sales increased over 20% this year.

Objective

The objective of the Restaurant Operations is to enhance the golfing experience to attract new golfers, helping the entire operation become a profit center for the City of Prineville.

2007-2008 Goals

- To bring restaurant operating margins in line with the business plan.
- To increase the popularity of the restaurant through advertising.
- To maintain exceptional customer service.

Performance Measures

- Annual gross revenue
- Restaurant operating cost

Restaurant - Staffing Summary	FTE	PTE
Director of Operations	.125	
Restaurant Manager	1.000	
Executive Chef	1.000	6.00
Part-time Employees		
TOTAL	2.125	600

Enterprise Funds Dinner Train Fund - 56

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -	\$ 25,000	\$ 5,300	\$ (14,169)	\$ 19,531	\$ 19,531	\$ -
Current year resources							
Charges for services		\$ 556,661	\$ 643,400	\$ 490,900	\$ 519,700		
Interest		\$ 1,093	500		500		
Miscellaneous				2,100			
Debt proceeds				100,000			
Transfers	25,000			0			
Total current year resources	\$ 25,000	\$ 557,754	\$ 643,900	\$ 593,000	\$ 520,200	\$ -	\$ -
Total resources	\$ 25,000	\$ 582,754	\$ 649,200	\$ 578,831	\$ 539,731	\$ 19,531	\$ -
Expenditures							
Personal services		\$ 153,686	\$ 134,700	\$ 146,500	\$ 107,800		
Materials and services		333,717	420,300	352,900	308,200		
Capital outlay							
Equipment							
Debt Service Interest					\$ 5,000		
Transfers		60,000	59,900	59,900	54,200		
Contingency	0		34,300	0	64,531	19,531	0
Total expenditures	\$ -	\$ 547,403	\$ 649,200	\$ 559,300	\$ 539,731	\$ 19,531	\$ -
Ending working capital	\$ 25,000	\$ 35,351	\$ -	\$ 19,531	\$ -	\$ -	\$ -

Executive Summary

The Crooked River Dinner Train began operation in 1991 to show-case the 38 mile round trip through the beautiful Crooked River Valley. On December 23, 2004, the City of Prineville purchased the Dinner Train as an established business that attracts riders from the Pacific Northwest, the entire United States and abroad.

Because of high fixed costs, increased expenses for catered meals, railroad fees and unanticipated mechanical breakdowns and purchase of new equipment, the operation has never generated the profitability that was expected when purchased by the City.

During 2006/2007, in an effort to reduce expenses, the office has been moved to the Railway office in Prineville and one full time employee has been eliminated. The scheduled 112 trains with 8008 paid fares (average 71.5 per train) have been reduced by eliminating some off-peak season trains. The projected schedule is to operate 81 trains and handle 6723 paid fares (average 83 per train). Although we are projecting to operate below break even this fiscal year, the 2007/2008 plan is positive.

FY 2006-2007 Accomplishments

- Reduced Fixed Costs by reducing full time employees and moving the office to Prineville Railroad Depot
- Made upgrades to dining room furnishings
- Increased ridership over previous year
- Implemented accrual accounting system for gift certificates

Operational Objectives

The Mission of the Crooked River Dinner Train is to become the premier year-around attraction in Central Oregon. We will be a fun, professional, safe and customer friendly attraction that appeals to not only tourists but locals. We will supplement the tourism industry in Central Oregon while adding revenue to the City of Prineville and the City of Prineville Railway.

FY 2007-2008 Goals and Objectives

- Achieve profitability

Performance Measures

Employees who rate safety as a cultural ethic
Positive operating margins
Retain our qualified staff
We have a diversified client base
Gross annual revenues
Railway contributes to Prineville's reputation as a showcase city
Costs per unit of service are in place for all operations

Dinner Train – Staffing Summary

	FTE	PTE
Office Staff	1.00	
Other Staff		11.00
Total	1.00	11.00

Enterprise Fund
Fund effective FY 2006
Freight Depot Fund - 57

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover		\$ -	\$ 19,900	\$ (145,173)	\$ 20,627	\$ 20,627	\$ -
Current year resources							
Intergovernmental			\$ 2,000,000	\$ 130,000	\$ 1,870,000		
Charges for services		123,368	181,200	122,500	183,500		
Miscellaneous		5,113		11,300			
Debt proceeds				200,000			
Total current year resources	\$ -	\$ 128,481	\$ 2,181,200	\$ 463,800	\$ 2,053,500	\$ -	\$ -
Total resources	\$ -	\$ 128,481	\$ 2,201,100	\$ 318,627	\$ 2,074,127	\$ 20,627	\$ -
Expenditures							
Personal services		\$ 84,649	\$ 104,300	\$ 91,000	\$ 104,500		
Materials and services		80,838	37,300	37,400	34,300		
Capital outlay		75,367	2,000,000	130,000	1,870,000		
Debt service							
Principal							
Interest			7,500	7,500	10,000		
Transfers		32,800	32,100	32,100	35,100		
Contingency			19,900		20,227	20,627	0
Total expenditures	\$ -	\$ 273,654	\$ 2,201,100	\$ 298,000	\$ 2,074,127	\$ 20,627	\$ -
Ending working capital	\$ -	\$ (145,173)	\$ -	\$ 20,627	\$ -	\$ -	\$ -

Executive Summary

The Prineville Freight Depot was developed to provide services associated with loading and unloading rail cars, in an effort to attract rail business, industry, and jobs to Prineville. This model has attracted a significant amount of attention in the state, and was funded with a \$2,000,000 state grant to expand our facilities.

The facility has attracted numerous leads from potential customers, as the large railroads reduce their customer base through pricing and poor service. As the price of fuel increases, there is a high degree of confidence on the part of the Railroad Commission that it is only a matter of time before the railroad achieves profitability, largely because we provide this service.

FY 2006-2007 Accomplishments

- Listed by the BNSF Railway as a premier trans-load site
- Added customer base, including Oregon National Guard, Northwest Eco Bock, Brasada Ranch, Quiet Floors
- Received Connect Oregon state grant

Operational Objectives

The Prineville Freight Depots goal is to become the premier freight distribution facility for Central Oregon, increasing rail traffic for the City of Prineville Railroad, attracting industry to Prineville, and improving the competitive edge for businesses in Prineville and Central Oregon.

FY 2007-2008 Goals and Objectives

- Operate with a positive margin
- Increase the rail traffic for the railroad
- Complete Phase I of the expansion project

Performance Measures

Employees who rate safety as a cultural ethic

Positive operating margins

Retain our qualified staff

We have a diversified client base

Gross annual revenues

Railway contributes to Prineville's reputation as a showcase city

Costs per unit of service are in place for all operations

Freight Depot – Staffing Summary

	FTE
Supervisor	1.00
Crew	1.00
Total	2.00

Internal Services Fund
Fund effective FY 2006
Admin/Financial Support Services Fund 70

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -		\$ 86,165	\$ 31,622	\$ 44,422	\$ 44,422	\$ -
Current year resources							
Charges for services		\$ 1,058,147	\$ 1,166,600	\$ 1,262,700	\$ 1,546,600	\$ -	
Interest		1,016	3,500	700	1,900	-	
Total current year resources	\$ -	\$ 1,059,163	\$ 1,170,100	\$ 1,263,400	\$ 1,548,500	\$ -	\$ -
Total resources	\$ -	\$ 1,059,163	\$ 1,256,265	\$ 1,295,022	\$ 1,592,922	\$ 44,422	\$ -
Expenditures							
City Council	\$ -	\$ 68,785	\$ 69,200	\$ 69,000	\$ 73,100	\$ -	\$ -
Administration/team services		399,334	443,500	514,100	668,500	-	-
Financial services		318,894	338,800	330,800	426,100	-	-
Non-departmental	-	48,341	59,000	54,200	-	-	-
Information technology	-	192,187	290,635	282,500	337,800	-	-
Contingency			55,130		87,422	44,422	-
Total expenditures	\$ -	\$ 1,027,541	\$ 1,256,265	\$ 1,250,600	\$ 1,592,922	\$ 44,422	\$ -
Ending working capital	\$ -	\$ 31,622	\$ -	\$ 44,422	\$ -	\$ -	\$ -

Executive Summary

The Internal Service Fund accounts for the activities of the City Council and Administrative Services. The services provided are recovered through charges for services to other funds.

City Council

Expenditures	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Materials and services		\$ 40,185	\$ 39,700	\$ 39,500	\$ 42,700		
Transfers		28,600	29,500	29,500	30,400		
Total expenditures	\$ -	\$ 68,785	\$ 69,200	\$ 69,000	\$ 73,100	\$ -	\$ -

Financial services

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Personal services	\$ -	\$ 242,072	\$ 255,500	\$ 226,000	\$ 282,200		
Materials and services		52,062	58,100	61,200	117,900		
Transfers		24,500	25,200	25,200	26,000		
Total expenditures	\$ -	\$ 318,634	\$ 338,800	\$ 312,400	\$ 426,100	\$ -	\$ -

Non-departmental expenditures have been incorporated into the financial services budget for 2007-2008 and is shown below for informational purposes.

Non-departmental

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Materials and services	\$ -	\$ 48,341	\$ 59,000	\$ 54,200	\$ -		
Total expenditures	\$ -	\$ 48,341	\$ 59,000	\$ 54,200	\$ -	\$ -	\$ -

Executive Summary

The Finance Department provides the City's financial accounting and reporting, budget preparation, cash and investment management, payroll, billings and collection, disbursement processing, risk management oversight, and grant coordination.

FY 2006-2007 Accomplishments

- Provide timely and accurate monthly and quarterly financial reports to council.
- Initiated purchasing software and purchasing card program.
- Initiated accounts receivable software.
- Initiated laser fiche software.
- Developed management reporting for capital projects by initiating project management software.
- Received *Distinguished Budget Award* from GMFOA

Operational Objectives

The mission of the Prineville Finance Services Department is to provide the taxpayers of the City of Prineville, its Council and all employees, with accurate, timely data and to maximize returns on investment and minimize loss and risk. We strive to achieve our mission in a professional and friendly manner that reflects the integrity of the overall mission of the City.

Strategic Objectives, FY07/08

- Focus on in depth software training and cross training in all areas of finance.
- Continue efforts with software expansion beyond finance to departments to increase utilization and efficiency of the City's financial software.
- Continue to enhance demand reporting for business type funds.
- Continue efforts / update 5 year financial plans for all city activities.
- Monitor new purchasing card program and identify necessary changes to maximize use.
- Develop and submit budget document for FY 2008 to GFOA for budget award.
- Automate disbursement processing for more efficient use of time and dollars.
- Develop and submit CAFR document FY 2007 to GFOA for distinguished CAFR Award.

Finance Department – Staffing Summary

	FTE
Finance Officer	1.0
Finance Assistant I	1.5
Finance Assistant II	3.0
Total	5.5

Information technology

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Personal services	\$ -	\$ 54,592	\$ 113,400	\$ 108,700	\$ 125,100		
Materials and services		66,590	73,200	64,100	105,600		
Capital outlay		0					
Equipment		23,170	55,900	61,600	56,900		
Debt service							
Capital lease - software		38,235	38,235	38,200	40,000		
Transfers		9,600	9,900	9,900	10,200		
Total expenditures	\$ -	\$ 192,187	\$ 290,635	\$ 282,500	\$ 337,800	\$ -	\$ -

Executive Summary

The Information Technology Department (IT) provides cost effective technology services to the City. The department upgrades software, manages maintenance of computers and communications, installs electronic equipment in vehicles, and manages the City's computer network and website.

FY 2006-2007 Accomplishments

- Repair tracking system
- Launched new websites
- Replaced telephone systems

Operational Objectives

The mission of Information Technology 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, interoperability and city-wide data flow.

Strategic Objectives, FY07/08

- Computer Assisted Drafting upgrade for advanced mapping
- Develop an online archive of all public records
- Implement new tow sites for Police and public safety communications
- Implement safety improvements at the Police Department

Information Technology Department – Staffing Summary

	FTE
IT Director	1.0
IT Specialist	1.0
Total	2.0

Admin/Team Services

	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Expenditures							
Personal services		\$ 242,177	\$ 268,100	\$ 357,200	\$ 499,500		
Materials and services		133,657	151,200	132,700	144,100		
Transfers		23,500	24,200	24,200	24,900		
Total expenditures	\$ -	\$ 399,334	\$ 443,500	\$ 514,100	\$ 668,500	\$ -	\$ -

Executive Summary

Administrative and Team Services (HR) assist the City Departments with personnel needs, oversee Risk Management, and the implementation of the long range plans, goals and objectives of the City.

Team Services department assists with recruitment, screening and selection of staff, and provides orientation to new employees. The department also works with personnel to obtain training and personal development and staffs the City's Safety Committee.

FY 2006-2007 Accomplishments

- Annual Team Services Opinion Survey
- Completed the Employee Handbook
- Completed the Safety Manual
- Reviewed Team Rules
- Developed new employee orientation program
- Reduced our MOD rate for Workers Comp Insurance

Operational Objectives

Administrative services oversee the implementation of the policies adopted by the Prineville City Council.

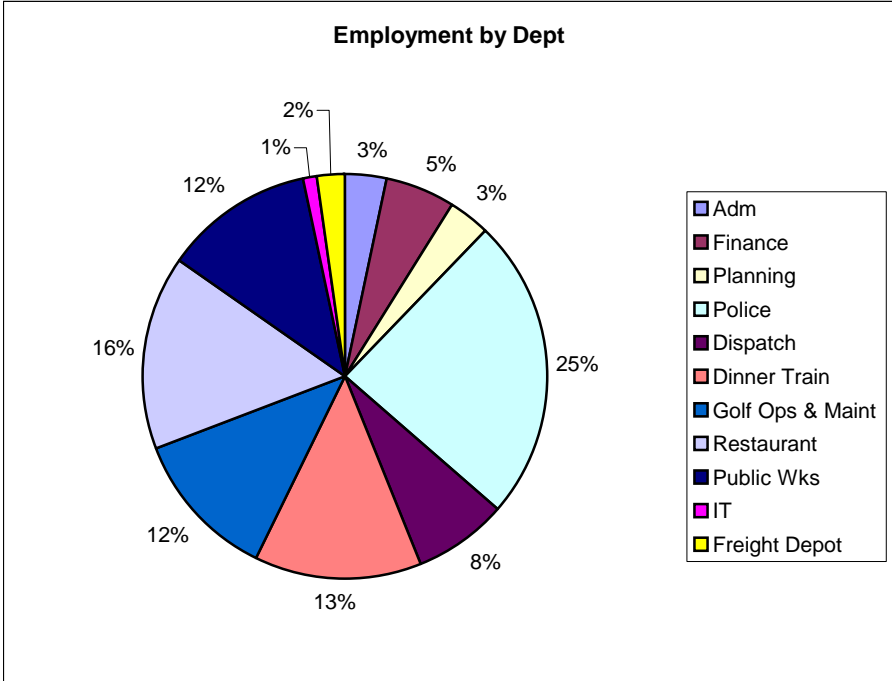
Team Services contributes to a safe and satisfying work environment by providing professional, highly-trained staff support to City management in the areas of personnel and risk management plans, policies and procedures.

Strategic Objectives, FY07/08

- Hire qualified employees
- Oversee wages and benefits to insure we are competitive
- Work with independent consultant to complete wage and salary survey
- Achieve safety awards
- Reduce MOD rates for insurance
- Oversee Agent of Record procedure

Administrative and Team Services - Staffing Summary

	FTE
City Manager	1.0
Community Development Director	1.0
Team Services Director	1.0
Administrative Assistant	2.0
Total	5.0



Internal Service Fund
Fund effective FY 2006
Public Works Support Services Fund 73

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -		\$ 2,678	\$ 40,428	\$ 84,228	\$ 84,228	\$ -
Current year resources							
Intergovernmental			\$ 40,000				
Licenses and permits		4,608		3,100	-		
Charges for services		584,500	569,000	543,000	540,400		
Interest		3,693	300	1,600			
Miscellaneous		456,500		500	5,000		
Total current year resources	\$ -	\$ 1,049,301	\$ 609,300	\$ 548,200	\$ 545,400	\$ -	\$ -
Total resources	\$ -	\$ 1,049,301	\$ 611,978	\$ 588,628	\$ 629,628	\$ 84,228	\$ -
Expenditures							
Public Works Support Services	\$ -	\$ 212,879	\$ 352,600	\$ 297,100	\$ 333,300	\$ -	\$ -
Public Works Fleet & Vehicles		171,746	219,500	191,700	215,500	-	-
Public Works Facilities		624,248	19,600	15,600	19,600	-	-
Contingency		40,428	20,278		61,228	84,228	0
Total expenditures	\$ -	\$ 1,049,301	\$ 611,978	\$ 504,400	\$ 629,628	\$ 84,228	\$ -
Ending working capital	\$ -	\$ -	\$ -	\$ 84,228	\$ -	\$ -	\$ -

Executive Summary

Effective with the 2005-06 fiscal year an internal service fund was created to account for the activities of the public works administration, fleet maintenance operations and public works building. All costs associated with these activities are accounted for within this fund and costs are recovered through charges to funds that receive services.

Public Works Support Fund- Staffing Summary

	FTE
Public Works Superintendent	1.00
Utility	1.00
Mechanic	1.00
Inspector	1.00
Total	4.00

Internal Service Fund City Hall Fund

Resources	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Estimated FY 06-07	Proposed Budget FY 07-08	Approved Budget FY 07-08	Adopted Budget FY 07-08
Working capital carryover	\$ -		\$ 56,559	\$ 81,397	\$ 56,559	\$ 56,559	\$ -
Current year resources							
Rent		\$ 135,200	\$ 137,800	\$ 137,800	\$ 144,400		
Interest		1,495		2,400	2,000		
Total current year resources	\$ -	\$ 136,695	\$ 137,800	\$ 140,200	\$ 146,400	\$ -	\$ -
Total resources	\$ -	\$ 136,695	\$ 194,359	\$ 221,597	\$ 202,959	\$ 56,559	\$ -
Expenditures							
Personal Services					\$ 5,700		
Materials and services		\$ 55,298	\$ 66,100	\$ 60,100	53,800		
Debt service							
Principal							
USDA - 2005			30,108	30,108	31,388		
Interest							
USDA - 2005			74,830	74,830	73,550		
Contingency			12,827		17,521	35,559	(21,000)
Total expenditures	\$ -	\$ 55,298	\$ 183,865	\$ 165,038	\$ 181,959	\$ 35,559	\$ (21,000)
Other requirements							
Debt service reserve			\$ 10,494		\$ 21,000	\$ 21,000	\$ 21,000
Ending working capital	\$ -	\$ 81,397	\$ 10,494	\$ 56,559	\$ -	\$ 21,000	\$ 21,000

Executive Summary

Effective with the 2005-06 fiscal year an internal service fund was created to account for the activities of the City Hall facility. City Hall is utilized by a variety of departments including City Council, Administration, Team Services, Finance, Information Technology, and Community Development. The facility is managed to recover full costs, including replacement costs, through lease rates that are set at or near market rates. Operating expenses, debt service and replacement funds are accounted for within this fund. The debt service reserve is to increase each year by ten percent of the required reserve, equal to one years debt service (\$104,940).

City Hall Fund- Staffing Summary

	FTE
Building Maintenance	.05
Total	.05

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 the City Council. Adopted budget becomes effective July 1st. Subsequent to adoption; Council may make changes throughout the year.

Approved Budget

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

Appropriations

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

Assessed Valuation

The value set on taxable property as a basis for levying property taxes. A tax initiative passed in 1997 that reduced AV below real market value and set a 3% maximum annual growth rate in the AV, exclusive of certain improvements.

Assets

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

Audit

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

Base Budget

Cost of continuing the existing levels of service in the current budget year. 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 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

The schedule of key dates, which government follows in the preparation and adoption of the budget.

Budget Committee

A group comprised of the elected officials plus an equal number of citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget.

Budget Document

A written report showing 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 is 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, and improvements or 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 \$5,000), (2) long asset life (equal to or greater than 5 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 or construction of buildings, structures, and facilities of all types, plus 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 \$5,000 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 fiscal year end financial statements, schedules and management discussion prepared by management of the City and audited by an independent auditor.

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 the 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

Established to account for the accumulation of resources and for the payment of general long-term debt principle and interest that are not serviced by the Enterprise funds. It does not include contractual obligations accounted for in the individual funds.

Department

The combination of divisions of the City headed by a general manager with a specific and unique set of goals and objectives (e.g., Police, Public Works, 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.

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pensions, 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 of the service is self-sufficiency, with all costs supported predominantly by user charges.

Estimate

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 twelve-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

Includes equipment, vehicles, furniture and fixtures, computer hardware and software with a cost basis in excess of \$5,000.

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 are spendable or available for appropriation.

General Fund

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 unmatured debt not considered to be a fund liability. General Obligation Bonds (G.O. Bonds) secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). Usually issued to pay for capital improvements such as wastewater and water facilities.

Grant

A contribution by one government unit to another. The contribution is usually made to aid in the support of a specified function (i.e., traffic enforcement or sidewalk improvement).

Infrastructure

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

Indirect Charges

Administrative costs that are incurred in the General Fund or Community Development Fund that are in support of an operating program. These charges are budgeted as interfund transfers.

Indirect Cost Allocation

Funding transferred to the general fund and community development 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 to be received during the budgeted period.

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 5 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% or greater voter turnout.

Materials and Services

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

Measure 5

A constitutional limit on property taxes passed by voters in the State of Oregon in November 1990. The 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 \$5.

Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year 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 (i) a general election in an even numbered year; or (ii) 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

Funds that the government receives 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 enactment 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 resulting 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. The permanent tax rate for the City of Prineville is \$3.0225 per \$1,000 of assessed value.

Personal Services

Includes the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, 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

The individual responsible for budgeting for a project and managing project to its completion.

Proposed Budget

Combined operating, non-operating, and resource estimates prepared by the City Manager and submitted to the public and the Budget Committee for review and approval.

Real Market Value

The estimated true value of property. Within Prineville, the average real market value exceeds the assessed value by 25%. This disparity is the result of voter approved tax initiative 50 passed in 1997.

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 all or part of the cost of a capital improvement or service deemed to benefit primarily 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

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

Supplemental Budget

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

System Development Charges

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

Taxes

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

Tax Levy

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

Tax Rate

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

Tax Revenue

Includes property taxes, hotel and motel room tax.

Tax Roll

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

Transfers

The appropriated amount of money to move between funds.

Trust Funds

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 and is available for general appropriation.

User Fees

The fee charged for services to the party or parties who directly benefits. Also called Charges for Service.

**Appendix
Closed Funds**

City Hall Construction Fund

Resources	Actual FY 03-04	Actual FY 04-05	Budget FY 05-06	Estimated FY 05-06
Working capital carryover	\$ (24,249)	\$ 2,095	\$ -	\$(229,905)
Current year resources				
Intergovernmental revenue	\$ 348,831	\$ 251,169	\$ -	\$ 196,500
Debt proceeds				
City				
Interim - BOTC	275,000	1,135,000	400,000	348,505
Rural Development			1,850,000	1,760,700
Total current year resources	\$ 623,831	\$ 1,386,169	\$ 2,250,000	\$ 2,305,705
Total resources	\$ 599,582	\$ 1,388,264	\$ 2,250,000	\$ 2,075,800
Expenditures	Actual FY 03-04	Actual FY 04-05	Budget FY 05-06	Estimated FY 05-06
Material and services	\$ 203,521	\$	\$	
Capital outlay	393,966			
Equipment			102,000	
Improvements		1,618,169	260,000	291,900
Land				
Debt service				
Principal - BOTC			1,850,000	1,758,400
Interest - BOTC			8,000	25,500
Contingency			30,000	.
Total expenditures	\$ 597,487	\$ 1,618,169	\$ 2,250,000	\$ 2,075,800
Ending working capital	\$ 2,095	\$ (229,905)	\$ -	\$ -

Sewer Treatment Debt Fund

Resources	Actual FY 03-04	Actual FY 04-05	Budget FY 05-06	Estimated FY 05-06
Working capital carryover	\$519,203	\$519,203	\$-	\$1,219,203
Current year resources				
Transfers	519,694	1,213,944		
Total current year resources	\$519,694	\$1,213,944	\$-	\$-
Total resources	\$1,038,897	\$1,733,147	\$-	\$1,219,203

Expenditures	Actual FY 03-04	Actual FY 04-05	Budget FY 05-06	Estimated FY 05-06
Debt service				
Principal	\$348,229			
SRB 1992		\$150,000	\$-	
SRRB 1998		30,000		
SRF 1992		126,095		
SPWF 1992		54,110		
Interest	171,465			
SRB 1992		4,875		
SRRB 1998		76,270		
SRF 1992		38,431		
SPWF 1992		34,163		
Transfers			1,220,481	1,219,203
Contingency			(1,220,481)	
Total expenditures	\$519,694	\$513,944	\$-	\$1,219,203
Other requirements				
Debt service reserves		\$-		
Unappropriated fund balance		700,000		
Total other requirements	\$-	\$700,000	\$-	\$-
Ending working capital	\$519,203	\$519,203	\$-	\$-