



City of Prineville, Oregon
Financial Report
Quarter and Nine Months Ended March 31, 2008

May 21, 2008

Executive Summary

In our continuing efforts to improve financial reporting and transparency of operations to the public, this financial report includes a brief explanation of results to enhance the readers understanding of the City's finances. The report is distributed to the City Council and Budget Committee to update these decision makers on the activities of the City and will be publicly available on the City's web-site, www.cityofprineville.com.

During the first nine months of fiscal year 2008, despite what is now viewed by many as a development slowdown that will last through 2009, the financial resources of the City have declined slightly as combined fund balances decreased by approximately \$219,000 (3%). The fund balance decrease is primarily the result of a loss in the Railroad (\$361,495), planned but scaled back capital investment in water improvements in the Water SDC Fund (\$196,849), debt service payments in the LID Debt Service Fund (\$95,821), anticipated reductions in the Wastewater Fund (\$68,827) and Golf Course Fund (\$79,583). These reductions are offset by increases in fund balances in the General (\$157,328), Emergency Dispatch (\$193,737), Water (\$113,995) and the Administration Services (\$90,548) funds.

The City is realizing reduced development related revenue in the General Fund, Transportation SDC, Water SDC, Wastewater SDC funds, and the Wastewater Fund. Additionally, the slowdown in growth is reducing projected revenue in utility revenue in the Water and Wastewater funds. This trend is expected to continue through fiscal year 2009 and possibly beyond. The organization continues to adjust spending plans and is using in-house staff (recovering costs for its services) to perform work previously outsourced. Adjustments to capital plans have been made and additional scrutiny to City infrastructure commitments is ongoing.

The financial activity in the City's Dinner Train, Freight Depot and Railroad activities continue to be monitored closely and efforts to secure additional customers is ongoing. The City continues to oversee a \$2 million grant funded project to expand its freight capabilities. An additional grant application for the reload facility of \$3.5 million is pending.

An executive summary is presented in each fund to provide an explanation of financial performance and operating issues. We appreciate comments on how we may be able to improve this report to enhance your understanding of the City's finances.

Sincerely,

Robb Corbett, City Manager Andy Parks, Contract CFO Liz Schuette, Finance Officer

May 21, 2008

All City Funds

Fund	Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance
General	\$ 670,436	\$ 2,687,936	\$ 2,530,608	\$ 827,764	\$ 157,328	23%
Transportation	430,155	682,434	730,375	382,214	(47,941)	-11%
Emergency Dispatch	115,194	689,356	495,619	308,931	193,737	168%
Local Improvement District Construction	-	-	-	-	-	0%
Transportation SDC	766,033	80,552	14,343	832,242	66,209	9%
Water SDC	747,895	60,817	257,666	551,046	(196,849)	-26%
Wastewater SDC	16,570	87,522	30,089	74,003	57,433	347%
LID Debt Service	502,032	238,015	333,836	406,211	(95,821)	-19%
Fire Station/Water Debt Service	51,861	75,819	8,348	119,332	67,471	130%
Industrial Park Debt Service	727	99,000	121,309	(21,582)	(22,309)	-3069%
Railroad	1,182,144	311,110	672,605	820,649	(361,495)	-31%
Water	763,250	1,045,374	931,379	877,245	113,995	15%
Wastewater	1,538,746	2,164,413	2,233,240	1,469,919	(68,827)	-4%
Golf Course and Restaurant	352,935	1,286,650	1,366,233	273,352	(79,583)	-23%
Dinner Train	28,865	317,383	320,481	25,767	(3,098)	-11%
Freight Depot	28,540	171,495	224,358	(24,323)	(52,863)	-185%
Administration and Financial Services	68,038	1,127,532	1,036,984	158,586	90,548	133%
Public Works Support Services	44,743	380,881	396,514	29,110	(15,633)	-35%
City Hall	65,833	110,438	132,169	44,102	(21,731)	-33%
Totals	\$ 7,373,997	\$ 11,616,727	\$ 11,836,156	\$ 7,154,568	\$ (219,429)	-3%

Notes:

1. Negative fund balance in Industrial Park Debt Service Fund is temporary and will be positive by year-end.
2. Negative fund balance in Freight Depot Fund may require other resources in order to end the year with a positive balance.

General Fund

The General Fund accounts for the City's community development, police and non-departmental operations and activities. The primary sources of revenue include property taxes, transient lodging taxes, franchise fees, and intergovernmental revenue.

As of the end of March, revenue exceeds expenditures by \$157,328. Property taxes, transient room taxes, and franchise fees are ahead of budget and are anticipated to fulfill annual estimates. License and fee and charges for services are significantly below budget. Year-end estimates are expected to be approximately \$380k below annual budgeted amounts. Intergovernmental, interest and miscellaneous revenue are near to or ahead of budget and are expected to be so at year-end. Total year-end revenue is expected to be approximately \$328k (10% +/-) below the budgeted amount.

Expenditures for the quarter and year-to-date are as anticipated with the exception of reduced spending in community development and an unbudgeted non-departmental measure 37 claim (\$133k). An additional appropriation will be necessary in non-departmental to cover the Measure 37 claim and possibly for additional payments to the Chamber of Commerce resulting from transient room tax revenue that exceeds budget.

May 21, 2008

Police estimate that their year-end expenditures will be approximately 93% - 94% of budget, representing a savings of up to approximately \$175,000. Community development has left a new code enforcement position vacant and it is utilizing existing staff to perform work previously contracted. Year-end estimated expenditures are anticipated to be 82% of budget representing a savings of approximately \$139k +/- . Year-end police facility costs are anticipated to be fully expended and non-departmental is estimated to be approximately \$137k over budget. The projected net position of the general fund at the end of the fiscal year is a reduction in fund balance of approximately \$258k based on current information.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Property taxes	\$ 412,750	\$ 402,562	98%	\$ 1,238,250	\$ 1,569,442	127%	\$ 1,651,000	\$ 81,558
Transient lodging tax	45,000	24,394	54%	135,000	147,516	109%	180,000	32,484
Franchise fees	153,750	279,103	182%	461,250	514,460	112%	615,000	100,540
Licenses and permits	76,675	9,419	12%	230,025	37,839	16%	306,700	268,861
Intergovernmental revenues	103,150	36,791	36%	309,450	289,725	94%	412,600	122,875
Charges for services	49,325	7,684	16%	147,975	30,026	20%	197,300	167,274
Interest	8,000	6,002	75%	24,000	22,779	95%	32,000	9,221
Miscellaneous	27,500	23,571	86%	82,500	76,149	92%	110,000	33,851
Total revenue	\$ 876,150	\$ 789,526	90%	\$ 2,628,450	\$ 2,687,936	102%	\$ 3,504,600	\$ 816,664
Expenditures								
Community development	\$ 228,025	\$ 135,648	59%	\$ 684,075	\$ 422,080	62%	\$ 792,100	\$ 370,020
Police	649,800	585,171	90%	1,949,400	1,793,376	92%	2,599,200	805,824
Police facility	19,350	15,738	81%	58,050	42,141	73%	65,400	23,259
Non-departmental	90,000	30,206	34%	270,000	273,011	101%	156,000	(117,011)
Contingency							561,461	561,461
Total expenditures	\$ 987,175	\$ 766,763	78%	\$ 2,961,525	\$ 2,530,608	85%	\$ 4,174,161	\$ 1,643,553
Revenue over (under) expenditures	(111,025)	22,763	-21%	(333,075)	157,328	-47%	(669,561)	
Beginning fund balance	447,511	805,001	180%	669,561	670,436	100%	669,561	\$ (875)
Ending fund balance	\$ 336,486	\$ 827,764	246%	\$ 336,486	\$ 827,764	246%	\$ -	

Notes:

1. Non-departmental includes \$75,000 budgeted payment to Airport for facility improvements and \$133,340 to settle a Measure 37 claim.

May 21, 2008

Transportation Fund

Revenue is slightly ahead of budget due to timing differences of the receipt of state gas taxes and payments from the County. Year-end gas tax revenues are anticipated to be slightly less than budgeted due to continuing high gas costs resulting in less usage than estimated by the state.

Expenditures for the period and year-to-date are as anticipated with capital projects moving forward and much of the repair work budgeted scheduled for spring 2008.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Licenses & permits	\$ 2,500	\$ 1,023	-	\$ 7,500	\$ 3,553	47%	\$ 10,000	\$ 6,447
Intergovernmental	208,150	221,984	107%	624,450	664,874	106%	832,600	167,726
Interest	2,500	2,206	88%	7,500	10,254	137%	10,000	(254)
Miscellaneous	6,250	29	0%	18,750	3,753	20%	25,000	21,247
Total revenue	\$ 219,400	\$ 225,242	103%	\$ 658,200	\$ 682,434	104%	\$ 877,600	\$ 195,166
Expenditures								
Personal services	\$ 38,800	\$ 38,478	99%	\$ 116,400	\$ 108,714	93%	\$ 155,200	\$ 46,486
Material & services	88,275	32,345	37%	264,825	119,157	45%	353,100	233,943
Capital outlay								
Improvements	118,000	99,336	84%	354,000	333,164	94%	472,000	138,836
Debt service								
Capital lease - street sweeper	19,600	-	-	39,200	19,562	50%	19,600	38
Transfers	49,925	49,926	68%	149,775	149,778	100%	199,700	49,922
Contingency							105,747	105,747
Total expenditures	\$ 314,600	\$ 220,085	70%	\$ 924,200	730,375	79%	\$ 1,305,347	\$ 574,972
Revenue over (under) expenditures	\$ (95,200)	\$ 5,157	68%	\$ (266,000)	\$ (47,941)	-	\$ (427,747)	
Beginning fund balance	256,947	377,057	147%	427,747	430,155	101%	427,747	(2,408)
Ending fund balance	\$ 161,747	\$ 382,214	236%	\$ 161,747	\$ 382,214	236%	\$ -	

May 21, 2008

Emergency Dispatch Fund

This fund accounts for the Emergency Dispatch operation. The operation provides dispatching and records management services for the public safety departments serving the Crook County area, with the exception of the State Police. The primary revenue sources are payments by users for services provided, including a transfer from the City's police department in the general fund. The operation is managed by the City's Police Department.

Payments from other jurisdictions for services for the full year were received timely during the first six-months. Total revenue for the fiscal year will meet budget.

Expenditures for the quarter and year-to-date are well below budgeted amounts. For the full year personal services expenditures are anticipated to be approximately 78% of budget, and other expenditures 93% of budget. The ending fund balance is projected to be approximately \$230,000.

	Current Quarter			Year to Date			Annual	Balance
	Budget	Actual	%	Budget	Actual	%	Budget	
Revenue								
Intergovernmental	\$ 115,425	\$ 6,250	5%	\$ 346,275	\$ 462,967	134%	\$ 461,700	\$ (1,267)
Charges for services	550	5	1%	1,650	515	31%	2,200	1,685
Interest	1,000	2,633	263%	3,000	8,974	299%	4,000	(4,974)
Transfers from other funds	72,300	72,300	100%	216,900	216,900	100%	289,200	72,300
Total revenue	\$ 189,275	\$ 81,188	43%	\$ 567,825	\$ 689,356	121%	\$ 757,100	\$ 67,744
Expenditures								
Personal services	\$ 151,775	\$ 112,590	74%	\$ 455,325	\$ 358,289	79%	\$ 607,100	\$ 248,811
Material & services	29,075	20,870	72%	87,225	69,690	80%	116,300	46,610
Capital outlay								
Equipment	9,675	-	-	29,025	37,337	129%	38,700	1,363
Transfers	10,100	10,101	100%	30,300	30,303	100%	40,400	10,097
Contingency							30,300	30,300
Total expenditures	\$ 200,625	\$ 143,561	72%	\$ 601,875	\$ 495,619	82%	\$ 832,800	\$ 337,181
Revenue over (under) expenditures	\$ (11,350)	\$ (62,373)	-	\$ (34,050)	\$ 193,737	-	\$ (75,700)	
Beginning fund balance	53,000	371,304	701%	75,700	115,194	152%	75,700	(39,494)
Ending fund balance	\$ 41,650	\$ 308,931	742%	\$ 41,650	\$ 308,931	742%	\$ -	

May 21, 2008

LID Construction Fund

This fund accounts for property owner initiated local improvements, such as streets, sidewalks, water, and sewer infrastructure. The primary revenue sources are debt proceeds this is repaid by benefited property owners and property owner payments. Expenditures are for requested infrastructure improvements.

Although there have not been any local improvement projects thus far several are under continuing discussion with interested property owners.

Revenue	Current Quarter			Year to Date			Annual Budget	Balance
	Budget	Actual	%	Budget	Actual	%		
Intergovernmental	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	3,100,000	3,100,000
Transfers	-	-	-	-	-	-	-	-
Total revenue	\$ -	\$ -	-	\$ -	\$ -	-	\$ 3,100,000	\$ 3,100,000
Expenditures								
Capital outlay								
Street improvements				\$ -	\$ -	-		
Water improvements	-	-	-	-	-	-	\$ 1,500,000	\$ 1,500,000
Wastewater improvements	-	-	-	-	-	-	1,500,000	1,500,000
Interest								
Interim bank financing	-	-	-	-	-	-	100,000	100,000
Transfers	-	-	-	-	-	-	-	-
Contingency							-	-
Total expenditures	\$ -	\$ -	-	\$ -	\$ -	-	\$ 3,100,000	\$ 3,100,000
Revenue over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Beginning fund balance	-	-	-	-	-	-	-	\$ -
Ending fund balance	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -

Note:
No activity during quarter

May 21, 2008

Transportation SDC Fund

This fund accounts for the collection and expenditure of transportation system development charges. The primary revenue source is SDCs. Expenditures are for qualified capital improvement projects and related costs.

As noted previously development activity has significantly reduced and SDC collections for the quarter and year-to-date are well below projections. Planned projects have been delayed pending review and securing adequate funding.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Interest	\$ 3,750	\$ 6,220	166%	\$ 11,250	\$ 23,471	209%	\$ 15,000	\$ (8,471)
System development charges	144,650	2,893	2%	433,950	57,081	13%	578,600	521,519
Total revenue	\$ 148,400	\$ 9,113	6%	\$ 445,200	\$ 80,552	18%	\$ 593,600	\$ 513,048
Expenditures								
Material & services	\$ 7,500	\$ 525	7%	\$ 22,500	\$ 3,225	14%	\$ 30,000	\$ 26,775
Capital outlay								
Improvements	275,000	-	-	825,000	-	-	1,100,000	1,100,000
Transfers	13,500	-	-	40,500	11,118	27%	54,000	42,882
Contingency							118,629	118,629
Total expenditures	\$ 296,000	\$ 525	0%	\$ 888,000	\$ 14,343	2%	\$ 1,302,629	\$ 1,288,286
Revenue over (under) expenditures	\$ (147,600)	\$ 8,588	-6%	\$ (442,800)	\$ 66,209	-15%	\$ (709,029)	
Beginning fund balance	413,829	823,654	199%	709,029	766,033	108%	709,029	\$ (57,004)
Ending fund balance	\$ 266,229	\$ 832,242	313%	\$ 266,229	\$ 832,242	313%	\$ -	

Water SDC Fund

This fund accounts for the collection and expenditure of water system development charges. The primary revenue source is SDCs. Expenditures are for qualified capital improvement projects and related costs.

The beginning fund balance is approximately \$340,000 less than budget due to project development and related costs in the prior fiscal year completing ahead of schedule. With the reduced SDC collections staff is reviewing the timing of completion of remaining well improvements. The \$1.8 million financing in fiscal year 2007 was refinanced in December 2007 to lower the interest rate and require interest only payments. SDC collections are adequate to make interest payments. If SDC collections improve principal payments on outstanding debt will be made with available funding. This will reduce the possibility of identifying and using non-SDC revenue to repay the debt used for capital

May 21, 2008

expansion projects. Additionally, the SDC methodology update has been deferred to early fiscal year 2009.

An estimated \$480,000 will be invested in improvements during fiscal year 2008. The estimated year-end fund balance is approximately \$267,000.

	Current Quarter			Year to Date			Annual	Balance
	Budget	Actual	%	Budget	Actual	%	Budget	
Revenue								
Interest	\$ 2,500	\$ 4,583	183%	\$ 7,500	\$ 19,517	260%	\$ 10,000	\$ (9,517)
System development charges	128,000	2,559	2%	384,000	40,940	11%	512,000	471,060
Debt proceeds	-	-	-	-	-	-	-	-
Miscellaneous	-	60	-	-	360	-	-	(360)
Total revenue	\$ 130,500	\$ 7,202	6%	\$ 391,500	\$ 60,817	16%	\$ 522,000	\$ 461,183
Expenditures								
Material & services	\$ 7,500	\$ 1,762	23%	\$ 22,500	\$ 14,865	66%	\$ 30,000	\$ 15,135
Capital outlay								
Improvements	300,000	85,721	29%	900,000	232,986	26%	1,200,000	967,014
Debt service								
Principal - short-term borrowing	-	-	-	-	-	-	140,000	140,000
Interest - short-term borrowing	-	-	-	-	-	-	95,000	95,000
Transfers	12,650	-	-	37,950	9,815	26%	50,600	40,785
Contingency							93,486	93,486
Total expenditures	\$ 320,150	\$ 87,483	27%	\$ 960,450	\$ 257,666	27%	\$ 1,609,086	\$ 1,351,420
Revenue over (under) expenditures	\$ (189,650)	\$ (80,281)	-	\$ (568,950)	\$ (196,849)	-	\$ (1,087,086)	
Beginning fund balance	707,786	631,327	89%	1,087,086	747,895	69%	1,087,086	339,191
Ending fund balance	\$ 518,136	\$ 551,046	106%	\$ 518,136	\$ 551,046	106%	\$ -	

Wastewater SDC Fund

This fund accounts for the collection and expenditure of wastewater system development charges. The primary revenue source is SDCs. Expenditures are for qualified capital improvement projects and related costs.

The beginning fund balance of approximately \$16,000 is \$223,000 less than budgeted. This is due to revenue in fiscal year 2007 not meeting year-end estimates and reimbursements of SDC payments that were classified as revenue. Current quarter and year-to-date revenue is well below budget.

An existing \$650,000 loan was refinanced in December 2007 to lower the interest rate and require interest only payments. If SDC collections are adequate principal payments can be made. The refinancing will reduce the possibility of having to identify and use non-SDC revenue to repay the debt used for capital expansion projects.

May 21, 2008

Year-end projections reflect an increase in the ending fund balance of approximately \$16,000, payment of interest on the outstanding debt and required payments of outstanding SDC reimbursement agreements.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Interest	\$ 2,000	\$ 697	-	\$ 6,000	\$ 2,997	-	\$ 8,000	5,003
System development charges	211,200	19,646	9%	633,600	84,525	13%	844,800	760,275
Total revenue	\$ 213,200	\$ 20,343	10%	\$ 639,600	\$ 87,522	14%	\$ 852,800	\$ 765,278
Expenditures								
Material & services	\$ 2,500	\$ 1,950	78%	\$ 7,500	\$ 3,713	50%	\$ 10,000	\$ 6,287
Capital outlay								
Improvements	-	-	-	-	20,000	-	-	(20,000)
Debt service								
Principal - short-term borrowing	-	-	-	-	-	-	155,200	155,200
Interest - short-term borrowing	-	-	-	-	-	-	30,900	30,900
Transfers	10,500	-	-	31,500	6,376	20%	42,000	35,624
Contingency							854,440	854,440
Total expenditures	\$ 13,000	\$ 1,950	15%	\$ 39,000	\$ 30,089	77%	\$ 1,092,540	\$ 1,062,451
Revenue over (under) expenditures	\$ 200,200	\$ 18,393	9%	\$ 600,600	\$ 57,433	10%	\$ (239,740)	
Beginning fund balance	640,140	55,610	9%	239,740	16,570	7%	239,740	223,170
Ending fund balance	\$ 840,340	\$ 74,003	9%	\$ 840,340	\$ 74,003	9%	\$ -	

Note:

Capital outlay includes \$20,000 payment to developer for master plan sewer improvements consistent with developer agreement.

May 21, 2008

LID Debt Service Fund

This fund accounts for the repayment of debt issued to finance property owner requested infrastructure projects. The primary revenue source is payment of assessments by benefited property owners.

Activity in this fund is as anticipated.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Intergovernmental	\$ -	\$ -	-	\$ 35,000	\$ 35,000	100%	\$ 35,000	\$ -
Interest	4,500	2,827	63%	13,500	11,059	82%	18,000	6,941
Assessment repayments	48,775	95,666	196%	146,325	191,956	131%	195,100	3,144
Total revenue	\$ 53,275	\$ 98,493	185%	\$ 194,825	\$ 238,015	122%	\$ 248,100	\$ 10,085
Expenditures								
Materials and services	\$ 325	\$ 800	246%	\$ 975	\$ 800	82%	\$ 1,300	\$ 500
Debt service								
Principal								
Spruce Lane LID - 2001	-	-	-	9,200	9,200	100%	9,200	-
10th St/Madras Hwy LID - 2003	1,700	1,713	101%	5,100	5,068	99%	6,800	1,732
Northridge LID - 2003	13,750	55,000	400%	41,250	55,000	133%	55,000	-
Ochoco Hwy LID - 2004	4,525	5,447	120%	13,575	16,135	119%	18,100	1,965
Peters Rd LID - 1998	17,500	70,000	400%	52,500	70,000	133%	70,000	-
Ironhorse LID - 2006	12,500	25,361	203%	37,500	50,003	133%	50,000	(3)
Interest								
Spruce Lane LID - 2001	1,000	966	97%	2,200	2,174	99%	2,200	26
10th Street/Madras Hwy LID - 2003	750	744	99%	2,250	2,305	102%	3,000	695
Northridge LID - 2003	4,725	8,287	175%	14,175	16,575	117%	18,900	2,325
Ochoco Hwy LID - 2004	2,000	1,068	53%	6,000	3,410	57%	8,000	4,590
Peters Rd LID - 1998	825	1,628	197%	2,475	3,255	132%	3,300	45
Ironhorse LID - 2006	24,975	49,597	199%	74,925	99,911	133%	99,900	(11)
Contingency							440,773	440,773
Total expenditures	\$ 84,575	\$ 220,611	261%	\$ 262,125	\$ 333,836	127%	\$ 786,473	\$ 452,637
Revenue over (under) expenditures	\$ (31,300)	\$ (122,118)	-	\$ (67,300)	\$ (95,821)	-	\$ (538,373)	
Beginning fund balance	502,373	528,329	105%	538,373	502,032	93%	538,373	36,341
Ending fund balance	\$ 471,073	\$ 406,211	86%	\$ 471,073	\$ 406,211	86%	\$ -	

May 21, 2008

Fire Hall/Water G.O. Debt Service Fund

This fund accounts for the repayment of debt issued to finance the construction of the fire hall and water improvements. The primary revenue source is voter approved property taxes.

Activity in this fund is as anticipated.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Property taxes	\$ 21,000	\$ 18,588	89%	\$ 63,000	\$ 73,287	116%	\$ 84,000	\$ 10,713
Interest	625	828	132%	1,875	2,532	135%	2,500	(32)
Total revenue	\$ 21,625	\$ 19,416	90%	\$ 64,875	\$ 75,819	117%	\$ 86,500	\$ 10,681
Expenditures								
Debt service								
Principal								
G.O. Bonds	\$ -	\$ -	-	\$ -	\$ -	-	\$ 75,000	\$ 75,000
Interest								
G.O. Bonds	-	-	-	8,348	8,348	100%	16,700	8,352
Other requirements							42,896	42,896
Total expenditures	\$ -	\$ -	-	\$ 8,348	\$ 8,348	100%	\$ 134,596	\$ 126,248
Revenue over (under) expenditures	\$ 21,625	\$ 19,416	90%	\$ 56,527	\$ 67,471	119%	\$ (48,096)	
Beginning fund balance	82,998	99,916	120%	48,096	51,861	108%	48,096	
Ending fund balance	\$ 104,623	\$ 119,332	114%	\$ 104,623	\$ 119,332	114%	\$ -	

May 21, 2008

Industrial Park Debt Service Fund

This fund accounts for the repayment of debt issued to finance construction of infrastructure improvements to the City's industrial park area. The primary revenue source is land rent to the Railroad and later the Freight Depot.

Activity in this fund is as anticipated. Rent income in the second half of the year will be adequate to fund the remaining payment (\$18,750) on the Natural Gas loan and the current fund balance deficit.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Interest	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Land rent	33,000	33,000	100%	99,000	99,000	100%	132,000	33,000
Total revenue	\$ 33,000	\$ 33,000	100%	\$ 99,000	\$ 99,000	100%	\$ 132,000	\$ 33,000
Expenditures								
Materials and services	\$ -	\$ -	-	\$ 1,500	\$ 1,500	100%	\$ 1,500	\$ -
Debt service								
Principal								
126 - 1996	-	-	-	51,700	51,604	100%	51,700	96
Natural gas loan	9,375	9,375	100%	28,125	28,125	100%	37,500	9,375
Interest								
126 - 1996	-	-	-	35,600	35,580	100%	35,600	20
Railroad note payable	1,500	1,500	100%	4,500	4,500	100%	6,000	1,500
Contingency							124	124
Total expenditures	\$ 10,875	\$ 10,875	100%	\$ 121,425	\$ 121,309	100%	\$ 132,424	\$ 11,115
Revenue over (under) expenditures	\$ 22,125	\$ 22,125	100%	\$ (22,425)	\$ (22,309)	-	\$ (424)	
Beginning fund balance	(44,126)	(43,707)	-	424	727	171%	424	(303)
Ending fund balance	\$ (22,001)	\$ (21,582)	-	\$ (22,001)	\$ (21,582)	-	\$ -	

Note:

1. Negative fund balance will be positive by year-end
2. The fund balance does not include the note payable of \$150,000 to the Railroad Fund.

May 21, 2008

Railroad Fund

This fund accounts for the activities of the City's railroad operation. Primary revenue sources are payments for the use of railroad facilities and related services. Expenditures are for the railroad operation, including repair and capital improvements. Additionally, transfers and loans to other City operations are budgeted.

During the quarter and year-to-date, railcar traffic continues to suffer through a depressed housing market resulting in fewer timber related carloads. In addition, the closure of the Louisiana Pacific Plant in Burns on October 1st has resulted in a loss of 25% of the annual projected rail traffic for the Railroad. Les Schwab Tire traffic has not met expectations due a slowing in the economy and fewer tires being purchased.

Expenses are at 80% of year-to-date budgeted amounts. The railroad has operated one position short and in November another employee transferred to Public Works and the position was not filled. These two positions will not be filled until revenues can justify hiring.

The budgeted loss at the railway during the fiscal year discounting non-railroad related entries is approximately \$345,000. The City has realized an operating loss of \$361,000 through nine months, which is 105% of the projected annual loss. The updated projection for year-end is to realize a reduction in fund balance of approximately \$406,000.

In the third quarter the beginning fund balance was reduced \$450,000 to reflect the position that loans to other funds (Freight Depot \$200,000, Industrial Park Debt Service \$150,000, and Dinner Train \$100,000) are not expected to be repaid within one year. When the loans are repaid the fund balance will reflect the amount of the payment.

May 21, 2008

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Charges for services	\$ 131,375	\$ 66,308	50%	\$ 394,125	\$ 208,364	53%	\$ 525,500	\$ 317,136
Use of money & property	25,950	12,133	47%	77,850	47,907	62%	103,800	55,893
Miscellaneous	22,175	12,907	58%	66,525	54,839	82%	88,700	33,861
Total revenue	\$ 179,500	\$ 91,348	51%	\$ 538,500	\$ 311,110	58%	\$ 718,000	\$ 406,890
Expenditures								
Personal services	\$ 141,550	\$ 95,904	68%	\$ 424,650	\$ 316,415	75%	\$ 566,200	\$ 249,785
Material and services	92,250	130,241	141%	276,750	275,565	100%	369,000	93,435
Capital outlay								
Improvements	8,500	-	-	25,500	9,750	38%	34,000	24,250
Transfers	23,625	23,625	100%	70,875	70,875	100%	94,500	23,625
Contingency							1,146,706	1,146,706
Total expenditures	\$ 265,925	\$ 249,770	94%	\$ 797,775	\$ 672,605	84%	\$ 2,210,406	\$ 1,537,801
Revenue over (under) expenditures	\$ (86,425)	\$ (158,422)	-	\$ (259,275)	\$ (361,495)	-	\$ (1,492,406)	
Other requirements								
Debt reserve commitment - wastewater	400,000	400,000	100%	400,000	400,000	100%	400,000	-
Beginning fund balance	1,319,556	979,071	74%	1,492,406	1,182,144	79%	1,492,406	
Ending fund balance	\$ 1,233,131	\$ 820,649	67%	\$ 1,233,131	\$ 820,649	67%	\$ -	

Note:

1. Beginning fund balance does not include \$450,000 in notes receivable due from other funds (\$100k dinner train, \$200k freight depot, \$150k industrial park debt service fund. This is a change from prior reports that included the balance of notes receivable.

May 21, 2008

Water Fund

This fund accounts for the activities of the City's water utility. The primary source of revenue is water sales and expenditures are for the operation of system including repair and maintenance of infrastructure.

The beginning fund balance was reduced to \$763,250 from \$824,250 to reflect the impact of accrued expenditures in fiscal year 2007. Water sales during the quarter and year-to-date are less than projected due to reduced growth in the customer base.

Expenditures for personal services are below budgeted amounts as a public works position has been left vacant. Significant materials and services and capital outlay maintenance items have been deferred to the fourth quarter. Expenditures are projected to be within approved amounts.

Revenue	Current Quarter			Year to Date			Annual	Balance
	Budget	Actual	%	Budget	Actual	%	Budget	
Charges for services	\$ 377,000	\$ 257,976	68%	\$ 1,131,000	\$ 1,020,595	90%	\$ 1,508,000	\$ 487,405
Interest	6,250	6,520	104%	18,750	24,440	130%	25,000	560
Miscellaneous	-	-	-	-	339	-	-	(339)
Total revenue	\$ 383,250	\$ 264,496	69%	\$ 1,149,750	\$ 1,045,374	91%	\$ 1,533,000	\$ 487,626
Expenditures								
Personal services	\$ 74,475	\$ 51,626	69%	\$ 223,425	\$ 159,161	71%	\$ 297,900	\$ 138,739
Materials and services	169,600	60,663	36%	508,800	281,113	55%	678,400	397,287
Capital outlay								
Equipment	-	-	-	-	-	-	-	-
Improvements	62,500	23,686	38%	187,500	46,943	25%	250,000	203,057
Debt service								
Principal								
Water revenue bond 2003	35,000	35,000	100%	35,000	35,000	100%	35,000	-
Interest								
Water revenue bond 2003	16,900	16,895	100%	33,800	33,790	100%	33,800	10
Transfers	125,125	125,124	100%	375,375	375,372	100%	500,500	125,128
Contingency							443,930	443,930
Total expenditures	\$ 483,600	\$ 312,994	65%	\$ 1,363,900	\$ 931,379	68%	\$ 2,239,530	\$ 1,308,151
Revenue over (under) expenditures	\$ (100,350)	\$ (48,498)	-	\$ (214,150)	\$ 113,995	-	\$ (706,530)	
Beginning fund balance	592,730	925,743	156%	706,530	763,250	108%	706,530	(56,720)
Ending fund balance	\$ 492,380	\$ 877,245	178%	\$ 492,380	\$ 877,245	178%	\$ -	

Wastewater Fund

This fund accounts for the activities of the City's wastewater and treatment facilities. The primary source of revenue is sales and expenditures are for the operation of system including repair and maintenance of infrastructure and debt service related to infrastructure costs.

The beginning fund balance of \$1.538 million is approximately \$183,000 less than budgeted. The balance has been adjusted since the December 2007 report to adjust to full accrual (i.e., reflect the accrual of interest and compensated absences during the audit).

Sales during the quarter and year-to-date are 94% of budget or nearly \$140,000 less than budgeted. This is due to the slow down in additional accounts. The year-end estimate is also approximately 94% of budget or \$191,000 less than budget. SDC reimbursement collections are significantly less than budget (\$200,000). Full year collections are anticipated to be approximately \$275,000 less than budget. Total revenue for the year is projected to be \$455,000 less than budgeted.

Expenditures for personal services are below budgeted amounts (\$24,000, actual 89% YTD and 93% for the quarter), materials and services well below budget (\$400,000, actual 39% YTD and 28% for the quarter) and capital outlay ahead of budget. For the full year personal service costs are anticipated to be less than budget by approximately \$65,000, materials and services costs will increase, however, they are anticipated to be approximately \$140,000 less than budget due to deferring significant maintenance projects, and capital projects will approximate budget. Debt service has been paid as scheduled. The year-end fund balance is projected to decline approximately \$400,000 to \$1.142 million. This balance is adequate to fund required debt service reserves, however wastewater rates will need to be increased a minimum of approximately seven percent (7%) in fiscal year 2009 to meet operating and debt service requirements.

May 21, 2008

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services	\$ 735,000	\$ 695,266	95%	\$ 2,205,000	\$ 2,067,960	94%	\$ 2,940,000	\$ 872,040
Interest	15,625	10,444	67%	46,875	42,326	90%	62,500	20,174
Miscellaneous	10,750	17,962	167%	32,250	33,968	105%	43,000	9,032
SDCs - reimbursement fees	74,125	1,186	2%	222,375	20,159	9%	296,500	276,341
Total revenue	\$ 835,500	\$ 724,858	87%	\$ 2,506,500	\$ 2,164,413	86%	\$ 3,342,000	\$ 1,177,587
Expenditures								
Personal services	\$ 75,575	\$ 70,773	94%	\$ 226,725	\$ 202,987	90%	\$ 302,300	\$ 99,313
Materials and services	218,950	61,434	28%	656,850	256,965	39%	875,800	618,835
Capital outlay								
Improvements	18,750	893	5%	56,250	46,248	82%	75,000	28,752
Debt service								
Principal								
SRRB 1998	-	-	-	210,000	210,000	100%	210,000	-
SRF 1992	137,787	137,787	100%	137,787	137,787	100%	137,787	-
SPWF 1992	-	-	-	65,362	65,362	100%	65,362	-
DEQ CWSRF R74682/1	-	-	-	94,200	94,193	100%	190,100	95,907
DEQ CWSRF R74682/2	-	-	-	166,200	166,189	100%	346,400	180,211
Interest								
SRRB 1998	25,480	25,537	100%	55,380	55,380	100%	55,380	-
SRF 1992	26,738	26,738	100%	26,738	26,738	100%	26,738	-
SPWF 1992	-	-	-	24,189	22,913	95%	24,189	1,276
DEQ CWSRF R74682/1	-	-	-	89,600	89,621	100%	177,600	87,979
DEQ CWSRF R74682/2	-	-	-	127,400	127,421	100%	252,300	124,879
Fees								
DEQ CWSRF R74682/1 & 2	-	-	-	68,600	68,586	100%	68,600	14
Transfers	232,200	220,950	95%	696,600	662,850	95%	883,800	220,950
Contingency							851,451	851,451
Total expenditures	\$ 735,480	\$ 544,112	74%	\$ 2,701,881	\$ 2,233,240	83%	\$ 4,542,807	\$ 2,309,567
Revenue over (under) expenditures	100,020	180,746	181%	(195,381)	(68,827)	-	(1,200,807)	(1,131,980)
Other resources/(requirements)								
Commitment Railroad Fund for debt reserve	400,000	400,000	100%	400,000	400,000	100%	400,000	-
Debt service reserve	(920,294)	(920,294)	100%	(920,294)	(920,294)	100%	(920,294)	
Net other resources/(requirements)	(520,294)	(520,294)	100%	(520,294)	(520,294)	100%	(520,294)	
Beginning fund balance	1,425,700	1,289,173	90%	1,721,101	1,538,746	89%	1,721,101	182,355
Ending fund balance	\$ 1,525,720	\$ 1,469,919	96%	\$ 1,525,720	\$ 1,469,919	96%	\$ 520,294	

Note:

Beginning fund balance \$157,314 less than previously reported due to adjustment to move to full accrual

May 21, 2008

Golf Course and Restaurant Fund

This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant sales, and operating payment from the City's wastewater fund for treatment.

Current period revenue in golf is 42% and year-to-date (YTD) is 90% of budget. Restaurant revenue in the current period is 62% and YTD is 80% of budget. Golf had an outstanding start to the year with increases in most areas except patron card sales and a slight decline in pro shop sales. Third quarter revenue was less than anticipated due to poor weather. Restaurant revenues are greater than last year, however they are still behind our budgeted estimates.

Expenditures for the quarter were reduced in all operations consistent with the revenue generated. Expenditures YTD are consistent with budget and as anticipated.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Charges for services								
Golf Course	\$ 221,775	\$ 93,241	42%	\$ 665,325	\$ 595,753	90%	\$ 887,100	\$ 291,347
Waste disposal	87,500	87,503	100%	262,500	262,503	100%	350,000	87,497
Restaurant	166,750	103,506	62%	500,250	401,724	80%	667,000	265,276
Other	-	-	-	-	-	-	-	-
Interest	3,125	1,841	-	9,375	8,949	-	12,500	3,551
Miscellaneous	8,550	3,391	40%	25,650	17,721	69%	34,200	16,479
Debt proceeds	-	-	-	-	-	-	-	-
Net equity transfer	-	-	-	-	-	-	-	-
Total revenue	\$ 487,700	\$ 289,482	59%	\$ 1,463,100	\$ 1,286,650	88%	\$ 1,950,800	\$ 664,150
Expenditures								
Golf Course	\$ 173,075	\$ 117,180	68%	\$ 519,225	\$ 509,402	98%	\$ 692,300	\$ 182,898
Waste disposal	131,275	83,852	64%	393,825	332,367	84%	525,100	192,733
Restaurant	181,800	129,493	71%	545,400	484,464	89%	727,200	242,736
Debt service								
Principal - note payable	14,075	11,114	79%	28,150	28,089	100%	43,100	15,011
Interest - note payable	12,000	3,886	32%	24,000	11,911	50%	21,000	9,089
Contingency							268,434	268,434
Total expenditures	\$ 512,225	\$ 345,525	67%	\$ 1,510,600	\$ 1,366,233	90%	\$ 2,277,134	\$ 910,901
Revenue over (under) expenditures	(24,525)	(56,043)	-	(47,500)	(79,583)	-	(326,334)	
Beginning fund balance	303,359	329,395	109%	326,334	352,935	108%	326,334	(26,601)
Ending fund balance	\$ 278,834	\$ 273,352	98%	\$ 278,834	\$ 273,352	98%	\$ -	

May 21, 2008

Dinner Train Fund

The Crooked River Dinner Train is in its third year of operation under City ownership. The Dinner Train contributes to the revenues of the City of Prineville Railway and to the administrative costs of the City of Prineville.

During the third quarter the dinner train did not operate. Expenditures incurred were for the prior quarter, repairs and maintenance and administrative personnel. In an effort to reduce expenses and to maintain a high average rider ship, we have reduced off-peak season trains. The full fiscal year train schedule includes 5 steam excursion trips. Currently, the Dinner Train has operated 57% of the annual schedule. Although some expenses are fixed monthly, most expenses are incurred as a result of trains ran. Therefore, expenses should be approximately 65% of full year budget in most categories.

We have resolved the issue with the Burlington Northern Santa Fe Railroad, and decided to continue operation of the train by the city, through the calendar year of 2008.

	Current Quarter			Year to Date			Annual	Balance
	Budget	Actual	%	Budget	Actual	%	Budget	
Revenue								
Charges for services	\$ 207,880	\$ 1,357	1%	\$ 545,685	\$ 313,535	57%	\$ 519,700	\$ 206,165
Interest	125	403	322%	375	1,848	493%	500	(1,348)
Miscellaneous	-	-	-	-	2,000	-	-	(2,000)
Total revenue	\$ 208,005	\$ 1,760	1%	\$ 546,060	\$ 317,383	58%	\$ 520,200	\$ 202,817
Expenditures								
Personal services	\$ 43,120	\$ 10,040	23%	\$ 113,190	\$ 66,163	58%	\$ 107,800	\$ 41,637
Materials and services	123,280	11,800	10%	323,610	224,714	69%	308,200	83,486
Debt service								
Interest - note payable Railroad	2,500	-	-	5,000	2,502	50%	5,000	2,498
Transfers	13,550	-	-	40,650	27,102	67%	54,200	27,098
Contingency							64,531	64,531
Total expenditures	\$ 182,450	\$ 21,840	12%	\$ 482,450	\$ 320,481	66%	\$ 539,731	\$ 219,250
Revenue over (under) expenditures	25,555	(20,080)	-	63,610	(3,098)	-	(19,531)	(16,433)
Beginning fund balance	57,586	45,847	80%	19,531	28,865	148%	19,531	(9,334)
Ending fund balance	\$ 83,141	\$ 25,767	31%	\$ 83,141	\$ 25,767	31%	\$ -	

Note:

Fund balance does not include note payable of \$100,000 to Railroad Fund.

Freight Depot Fund

This fund accounts for the activities of the City's freight loading and storage activities. A part of a coordinated strategy to increase railroad activity, the City launched a freight storage and reload operation in 2005. The facility has been successful in bringing additional traffic to the railroad as well as providing non-rail served industry in Central Oregon a connection to the National Rail network.

Revenues are derived from customers for freight loading and unloading, reloading and storage.

The Freight Depot continues to suffer from revenue losses due to the closure of the Louisiana Pacific Mill in Burns which was 55% of the annual projected revenue and the downturn in the building products market that accounted for the majority of the reload business.

Fontana Wood Products which was expected to boost the business at the reload is finally up and running and we have been renting forklifts to them to generate revenue and are working with them to provide storage and transload services.

Our Connect Oregon 1 project is underway and will include a new 160'X400' warehouse with rail and truck capabilities. In addition, we were selected for \$3.25 million dollars to complete Phase Two of the Freight Depot.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Intergovernmental	\$ 467,500	\$ 106,894	23%	\$ 1,402,500	\$ 126,490	9%	\$ 1,870,000	\$ 1,743,510
Charges for services	45,875	9,815	21%	137,625	44,790	33%	183,500	138,710
Interest	-	-	-	-	215	-	-	(215)
Total revenue	\$ 513,375	\$ 116,709	23%	\$ 1,540,125	\$ 171,495	11%	\$ 2,053,500	\$ 1,882,005
Expenditures								
Personal services	\$ 26,125	\$ 9,264	35%	\$ 78,375	\$ 37,582	48%	\$ 104,500	\$ 66,918
Materials and services	10,450	6,628	63%	31,350	26,272	84%	34,300	8,028
Capital outlay	467,500	95,864	21%	1,402,500	126,673	9%	1,870,000	1,743,327
Debt service								
Interest - note payable Railroad	2,500	2,502	100%	7,500	7,506	100%	10,000	2,494
Transfers	8,775	8,775	100%	26,325	26,325	100%	35,100	8,775
Contingency							20,227	20,227
Total expenditures	\$ 515,350	\$ 123,033	24%	\$ 1,546,050	\$ 224,358	15%	\$ 2,074,127	\$ 1,849,769
Revenue over (under) expenditures	(1,975)	(6,324)	-	(5,925)	(52,863)	-	(20,627)	32,236
Beginning fund balance	16,677	(17,999)	-	20,627	28,540	138%	20,627	
Ending fund balance	\$ 14,702	\$ (24,323)	-	\$ 14,702	\$ (24,323)	-	\$ -	

Notes:

1. Intergovernmental revenue includes accrued receivable for grant qualified capital expenditures
2. The second quarter report included \$40,700 in charges for services that had not yet been earned, this amount has been adjusted out.
3. The fund balance does not include the note payable to the Railroad Fund of \$200,000.

May 21, 2008

Administration and Financial Support Services Fund

This fund accounts for the activities of the City Manager's office, human resources, recorder, finance, Council directed contributions, and information technology services. The primary source of revenue is charges to other funds for services.

Current quarter and year-to-date revenue is consistent with budget. Expenditures in the quarter and year-to-date for administration and finance are approximately 90% of budget. Information technology spending for the quarter is 69% and YTD 90% of budget. Year-end estimates include reduced spending of approximately \$110,000 within this fund.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Charges for services	\$ 386,650	\$ 359,571	93%	\$ 1,159,950	\$ 1,122,699	97%	\$ 1,546,600	\$ 423,901
Interest	475	1,206	254%	1,425	4,833	339%	1,900	(2,933)
Total revenue	\$ 387,125	\$ 360,777	93%	\$ 1,161,375	\$ 1,127,532	97%	\$ 1,548,500	\$ 420,968
Expenditures								
City Council	\$ 18,275	\$ 11,639	64%	\$ 54,825	\$ 45,634	83%	\$ 73,100	\$ 27,466
Administration/team services	167,125	153,867	92%	501,375	449,664	90%	668,500	218,836
Financial services	106,525	96,651	91%	319,575	294,620	92%	426,100	131,480
Non-departmental	-	-	-	-	-	-	-	-
Information technology	91,950	63,341	69%	275,850	247,066	90%	337,800	90,734
Contingency							87,422	87,422
Total expenditures	383,875	325,498	85%	1,151,625	1,036,984	90%	1,592,922	555,938
Revenue over (under) expenditures	3,250	35,279	1086%	9,750	90,548	929%	(44,422)	(134,970)
Beginning fund balance	50,922	123,307	242%	44,422	68,038	153%	44,422	(23,616)
Ending fund balance	\$ 54,172	\$ 158,586	293%	\$ 54,172	\$ 158,586	293%	\$ -	

May 21, 2008

Public Works Support Services Fund

This fund accounts for the activities of the Public Works management and support staff, fleet and vehicle maintenance and public works office space operating costs. The primary source of revenue is charges to other funds for services.

The beginning fund balance is approximately \$39,500 less than budgeted. This is due to year-end accrual of personnel costs that were not anticipated in fiscal year 2007. Current year revenue is slightly below budget (93%).

Expenditures for public works support services and fleet repair and maintenance are less than budgeted (94% and 77% respectfully, total expenditures 86% of budget). Year-end estimate expenditures are anticipated to be approximately \$35,000 less than budget.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Intergovernmental	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Licenses and permits	-	1,170	-	-	3,301	-	-	(3,301)
Charges for services	135,100	120,456	89%	405,300	376,453	93%	540,400	163,947
Interest	1,250	220	18%	3,750	1,127	30%	5,000	3,873
Total revenue	136,350	121,846	89%	409,050	380,881	93%	545,400	164,519
Expenditures								
Public Works Support Services	83,325	80,416	97%	\$ 249,975	\$ 235,258	94%	333,300	98,042
Public Works Fleet & Vehicles	65,125	51,194	79%	195,375	149,806	77%	215,500	65,694
Public Works Facilities	4,900	5,972	122%	14,700	11,450	78%	19,600	8,150
Contingency							61,228	61,228
Total expenditures	153,350	137,582	90%	460,050	396,514	86%	629,628	233,114
Revenue over (under) expenditures	(17,000)	(15,736)	-	(51,000)	(15,633)	-	(84,228)	(68,595)
Beginning fund balance	50,228	44,846	89%	84,228	44,743	53%	84,228	39,485
Ending fund balance	\$ 33,228	\$ 29,110	88%	\$ 33,228	\$ 29,110	88%	\$ -	

May 21, 2008

City Hall Fund

This fund accounts for the operating costs of the city hall facility and related debt service. Revenue is received through rental charges to user departments and activities.

Revenue and expenditures during the quarter and first nine months are generally as anticipated and at this time no additional appropriations are anticipated.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Rent	\$ 36,100	\$ 36,105	100%	\$ 108,300	\$ 108,315	100%	\$ 144,400	\$ 36,085
Interest	500	209	-	1,500	2,123	-	2,000	(123)
Total revenue	36,600	36,314	99%	109,800	110,438	101%	146,400	35,962
Expenditures								
Personal services	1,425	343	24%	\$ 4,275	\$ 609	14%	5,700	5,091
Materials and services	13,450	11,609	86%	40,350	26,622	66%	53,800	27,178
Debt service								
Principal - USDA 2005	-	-	-	31,388	31,388	100%	31,388	-
Interest - USDA - 2005	-	-	-	73,550	73,550	100%	73,550	-
Contingency							17,521	17,521
Total expenditures	14,875	11,952	80%	149,563	132,169	88%	181,959	49,790
Revenue over (under) expenditures	21,725	24,362	112%	(39,763)	(21,731)	-	(35,559)	(13,828)
Other requirements								
Debt service reserve	21,000	21,000	100%	21,000	21,000	100%	21,000	-
Beginning fund balance	(4,929)	19,740	-400%	56,559	65,833	116%	56,559	(9,274)
Ending fund balance	\$ 16,796	\$ 44,102	263%	\$ 16,796	\$ 44,102	263%	\$ 21,000	

Memo

To: Members of Prineville City Council

From: Carl M. Dutli

Date: May 21, 2008

Re: Solid Waste Franchise

This memo is written to discuss the issue brought before the Council on May 13, 2008, by Brad Bartlett and Brian Skidgel, president of Bar 7 A Trucking, a Redmond based company.

Prineville Ordinance No. 1142 grants an exclusive solid waste franchise to Holliday Enterprises, LLC, dba Prineville Disposal. The Ordinance allows only Hollidays to haul waste materials with certain exceptions and exemptions. Section 3 of that Ordinance lists persons and practices exempt from the franchise. A copy of Section 3 is attached to this Memorandum.

Paragraph number 4 of Section 3 is the provision that Brad Bartlett and Mr. Skidgel addressed the Council about last meeting. I have interpreted paragraph 4 to exempt certain activities from being subject to the Franchise Ordinance. A contractor who demolishes a building can haul it away; a person licensed by the state of Oregon to carry on the business of auto wrecking can haul motor vehicles from property; a contractor who is clearing land can haul away trees and debris from the land; a roofing contractor can remove a roof and haul it away, etc., without violating the Ordinance. It seems to me that the philosophy behind paragraph 4 as an exception to the Franchise Ordinance is to allow contractors and other business persons the right to transport the waste they create without violating the franchise agreement. I have found similar exemptions in the City of Madras and City of Bend franchise ordinances.

The problem that Mr. Bartlett and the Skidgels brought before the Council is that if a homeowner cuts down a tree on his property, but does not haul it away, the exception found in paragraph 4 is not applicable. The homeowner is the generator or producer of the waste, but the homeowner is not the one who transports and disposes of the waste. Therefore, whomever hauls away the waste (unless it is the homeowner or Holliday Enterprises, LLC) is in violation of our Ordinance.

Mr. Skidgel mentioned that the City was investigating a matter in which Bar 7 A Trucking was involved. In that case a contractor had contracted for the demolition of the building that housed Southside Market at the corner of Main Street and Lynn Boulevard in Prineville. That contractor contracted with Bar 7 A Trucking to haul the waste away. If the original contractor had hauled away the waste that resulted from the demolition of the building there would be

(b) such material from other waste does not remove the materials from this definition.

Section 3. Persons and Practices Exempt from Franchise. Nothing in this Ordinance requires a franchise from the following persons for the following businesses or practices:

- (1) The collection, transportation and reuse of repairable or cleanable discards by a private charitable organization regularly engaged in such business or activity, i.e. Neat Repeat or similar organization.
- (2) The collection, transportation and reuse or recycling of totally source separated materials by a fraternal or charitable organization which is using the activity for fund raising; including, without limitation, scouts, and churches.
- (3) The collection, transportation or redemption of returnable beverage containers under ORS Chapter 459 and the portion thereof commonly known as the "Bottle Bill."
- (4) The generator or producer who transports and disposes of waste created as an incidental part of regularly carrying on the business or service of auto wrecking, to the extent licensed by the State of Oregon; demolition, land clearing or construction; janitorial service; gardening, park maintenance or landscaping service; street sweeping, auto body recovery; or septic tank pumping or sludge collection. "Janitorial Service" does not include cleanup of accumulated or stored wastes.
- (5) The transportation by a person of solid waste generated or produced by such person to a disposal site, resource recovery site or market. The transportation by a property owner of residential property of solid waste left upon such owner's property by tenants or occupants to a disposal site, resource recovery site or market, but may not provide solid waste collection service for a tenant on a regular or continuing basis.
- (6) The purchase of totally source separated solid waste for fair market value; however, the City Council may require that anyone making such purchase apply for an exemption as described in subsection (9) below.
- (7) The providing of service to a state or federal agency under written contract with such agency.
- (8) The providing of service for wastes determined by competent authorities to be hazardous.
- (9) Any practice, business or activity may be exempted by the City Council after public hearing thereon. In considering whether the City Council shall exempt such practice, business or activity, it may consider the purposes and standards of this ordinance and may require terms and conditions, as it deems necessary in the public interest.

no problem and that contractor's activities would be allowed under paragraph 4 of Section 3 of the Ordinance. However, because Bar 7 A Trucking is the one who hauled the waste away there is no exception for Bar 7 A Trucking under our Solid Waste Franchise Ordinance and it appears Bar 7 A Trucking has violated our Solid Waste Franchise Ordinance.

If a citation is going to be issued to Bar 7 A Trucking for violation of our Solid Waste Franchise Ordinance, it needs to be done by the end of June 2008 or the statute of limitations will run.

Hopefully, the Council and/or the public works committee can meet regarding this issue and decide if amendments need to be made to the Ordinance or not. Because the Franchise Ordinance is a contract between the City of Prineville and Holiday Enterprises, LLC, the City needs to make sure that Holiday Enterprises, LLC, is involved in any discussion and amendments concerning changes to the Franchise Agreement or an expansion of exemptions to the Franchise Agreement.