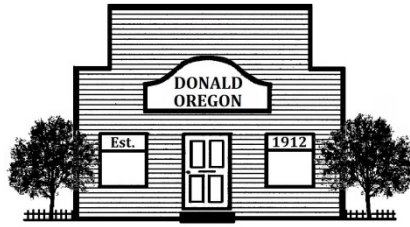




City of **DONALD** Oregon

Proposed Budget
2021 - 2022



Donald Budget Committee

Elected Members

Mayor Rick Olmsted
President Katie Gonzalez
Councilor Troy Hellickson
Councilor Alysha Irvin
Councilor Jan Olsen
Councilor Lauren Ostrander
Councilor Gerry Waller

Citizen Members

Daroll Nicholson (21-22)
Dawn Saxton (21-22)
Neil Strathdee (21-22)
Wendy Scharich (22-23)
Vacant (22-23)
Toshia Weese (23-24)
Vacant (23-24)

Staff Members

Heidi Bell, City Manager and Budget Officer
Alonso Limones, Public Works Director
Lisa Hassel, Accountant
Randi Meadors, City Clerk
Jesus Rios, Public Works Operator

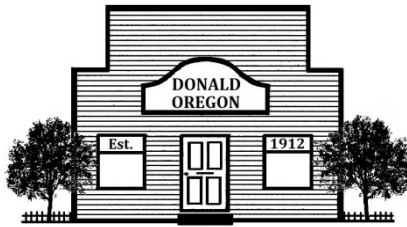
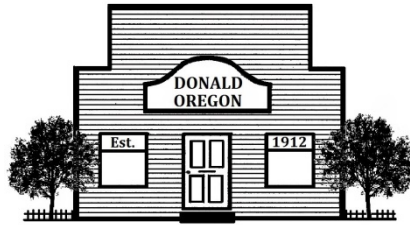


Table of Contents

- Budget Calendar
- Budget Message
- Organizational Chart
- Budget Overview
- Proposed Budget
 - General Fund: Administration, Planning and Building, Public Safety, Parks and Community Development
 - Street Fund
 - Debt Service Fund
 - Water Fund
 - Sewer Fund
 - System Development Fund – Water
 - System Development Fund – Sewer
 - System Development Fund – Park
 - System Development Fund – Stormwater
 - System Development Fund – Transportation
- Transfer Schedule

10710 Main Street NE * PO Box 388
503-678-4443
www.donaldoregon.gov



Budget Calendar

- | | |
|--|-------------------|
| 1. Council to appoint Budget Officer | January 12 |
| 2. Budget proposals due | February 1 |
| 3. Budget Calendar submitted to Council for review | February 9 |
| 4. Prepare Proposed Budget | March – May |
| 5. Budget Committee Applications Due | March 4 by 4:00pm |
| 6. Council to appoint Budget Committee Members | March 9 |
| 7. Send Budget Committee Meeting notice to Pamplin Media | April 30 |
| 8. Publication date: | April 30 |
| 1 st Notice of Budget Committee Meeting on City website | |
| 9. Publication date: | May 5 |
| 2 nd Notice of Budget Committee Meeting in Woodburn Independent | |
| 10. Budget Training Class – for those needing a refresher course | May 13 at 6:00pm |
| 11. Proposed Budget delivered to Committee Members and posted on website | May 14 |
| 12. Budget Committee Meeting (schedule subsequent meetings if needed) | May 18 at 6:00pm |
| 13. Send Notice of Budget Hearing (LB-1) to Pamplin Media for publishing | May 20 |
| 14. Publication date: Notice of Budget Hearing in the Woodburn Independent | May 26 |
| 15. Budget Hearing | June 8 at 6:45pm |
| Enact resolutions to adopt budget, make appropriations and impose tax | |
| 16. Submit resolution and LB-50 to Marion County | by July 15 |
| 17. Submit State Share Revenue documents to Dept. of Administrative Services | by July 30 |
| 18. Send copy of Adopted Budget to Marion County | by September 30 |

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503-678-4443
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Budget Message

Dear Mayor, City Councilors, Budget Committee Members and Members of our Community:

I am pleased to submit to you for your consideration a proposed budget for fiscal year 2021-2022. The purpose of this budget message is to provide both internal leaders and external stakeholders a detailed picture regarding the state of the City of Donald's finances, as well as guidance for the upcoming fiscal year's needs. Oregon Budget Law states that a local government's budget will balance. Staff is proposing a balanced budget for the Budget Committee's review.

City of Donald Mission Statement

"To promote and improve our quality of life, while enhancing our sense of community, and preserving our small-town heritage for all"

The Meaning of a Budget

Annually, local government leaders are charged with approving and adopting a budget. This process is typically time-consuming yet thought provoking. The budget is important because it involves a lot of consideration for the next fiscal year, as well as the future. When done well, city budgets can help to keep everyone working harmoniously. Budgets are powerful tools for running an effective and efficient government.

As I see it, this budget document is intended to serve four main purposes:

- 1) To define public policy set forth by the City Council and as seen in their goals.
- 2) To serve as a guide for management to aid in the control of financial resources.
- 3) To outline the City's financial resource allocation plan for the fiscal year, illustrating projected revenues and appropriations that are to be funded.
- 4) To serve as the City's fundamental communication document for the community members of Donald, who wish to understand how the City operates and provides its services and the methods and amounts used to finance those operations and services.

The 2021 Council & Planning Commission Goals

The City Council's Mission Statement and City Goals helped to guide the creation of this proposed budget. Together, the Councilors and Planning Commissioners set the City's Goals. Throughout this budget, you will see activities planned that encompass these goals.

- ❖ Provide safe, clean, well-maintained and dependable infrastructure.
- ❖ Improve transparency by providing greater access to Council and Planning Commission proceedings and create opportunities for community engagement.
- ❖ Ensure security through the development of an Emergency Response Plan and community education about preparedness.
- ❖ Provide opportunities that promote personal health and wellness of the community.

- ❖ Foster a community that embraces resilient infrastructure, welcomes innovation and protects our resources.
- ❖ Provide a code enforcement program that protects and beautifies Donald.
- ❖ Develop a transportation network that connects all members of the community to destinations within and around the local area.
- ❖ Improve public safety.
- ❖ Provide adequate park and recreation activities that support current and future populations.
- ❖ Promote development that provides economic stability, supports local business and maintains our culture.
- ❖ Foster a community spirit of shared responsibility that is inclusive and inspires action through volunteerism.

Budget Basics

This fiscal year the total of all funds combined is roughly \$4.2 million. Each of the City's ten funds are discussed more thoroughly on their individual budget sheets in this document. Please note that each fund is separated because there are particular budget laws, statues and local codes that limit how expenditures are spent and revenues are collected. Since funds operate essentially as their own entity, this means that monies between funds cannot be comingled. In municipal budgeting, revenues are called *resources* and expenditures are called *requirements*. Municipal educational materials can be found on the State of Oregon Department of Revenue's Local Budget Law website:

<https://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx>.

Discussion of Property Taxes in Relation to Donald's Budget

There are two types of property taxes that are collected to fund Donald's budget. One is a *permanent* property tax that supplements the General Fund and the other is a *time-sensitive* tax to satisfy the outstanding bond. Citizens and City leaders occasionally ask why Donald has such a low property tax rate, and furthermore, why it can't be changed.



In the 1990's, Measures 5, 47 and 50 established a *permanent* tax rate on local governments and this is still in effect today. The *Oregonian* created a helpful short video to help explain Oregon's property tax system history. It is only about three and half minutes and it can be found at:

<https://www.youtube.com/watch?v=gtalhnmxnZU>.

Donald's *permanent* property tax rate is \$0.8752 per \$1,000 of assessed value. The City's estimated assessed value for 2021-2022 is \$180,176,676. This is a 7% increase over last year's valuation of \$178,867,075. This is shown in the chart below, *Tax Rate Over Time*.

Typically, we use the Marion County average collection factor of 95% to help calculate the estimated taxes to be received; this means that it is estimated that 5% of property owners will not pay their property taxes this year. Last year, we estimated that 15% of property owners would not pay property taxes because of the unknowns due to the Covid-19 Pandemic. However, we did not see a decrease in property taxes. Again, the City is estimating its traditional 5% loss. Using the assessed valuation, the property tax rate, and subtracting the loss of 5% allows us to estimate receiving \$96,701.67 in property taxes for the General Fund.

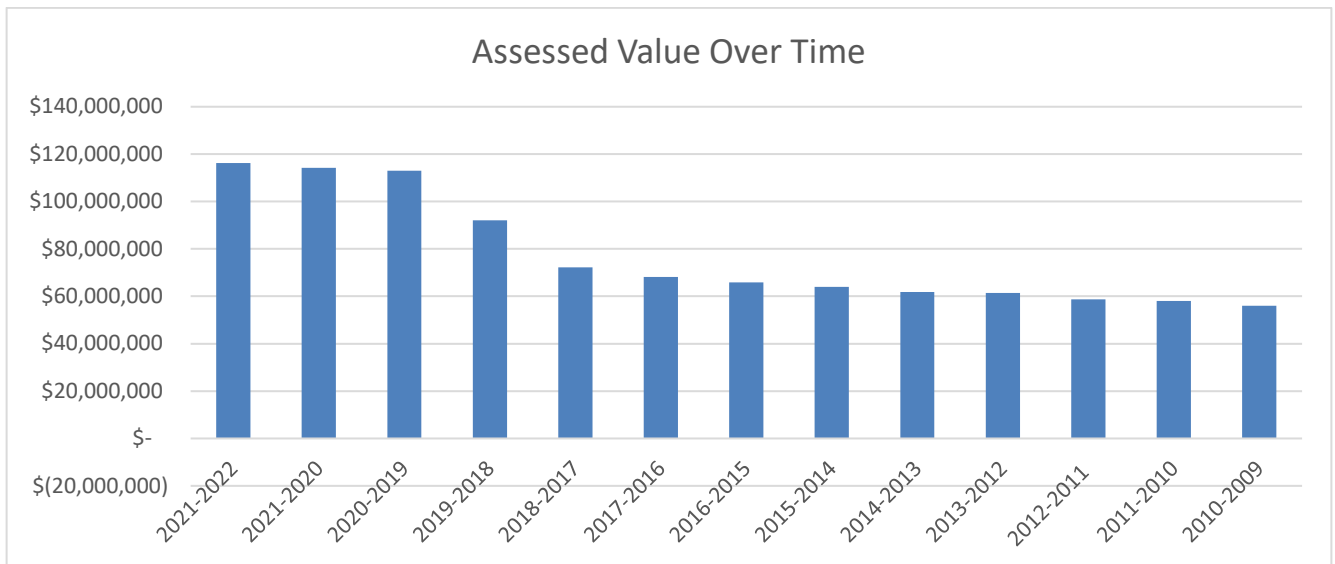
The other tax collected, which is also based on a property's assessed value, is to pay off the City's outstanding bond principal and interest payments. This money is accounted for in the Debt Service Fund. The bond's principal and interest amounts are fixed amounts and must be paid annually. The next principal payment will happen February 2021, and the interest will be paid August 2020. Knowing that property taxes are not collected until November, there must be enough money in the fund to pay the interest due in August from the previous year.



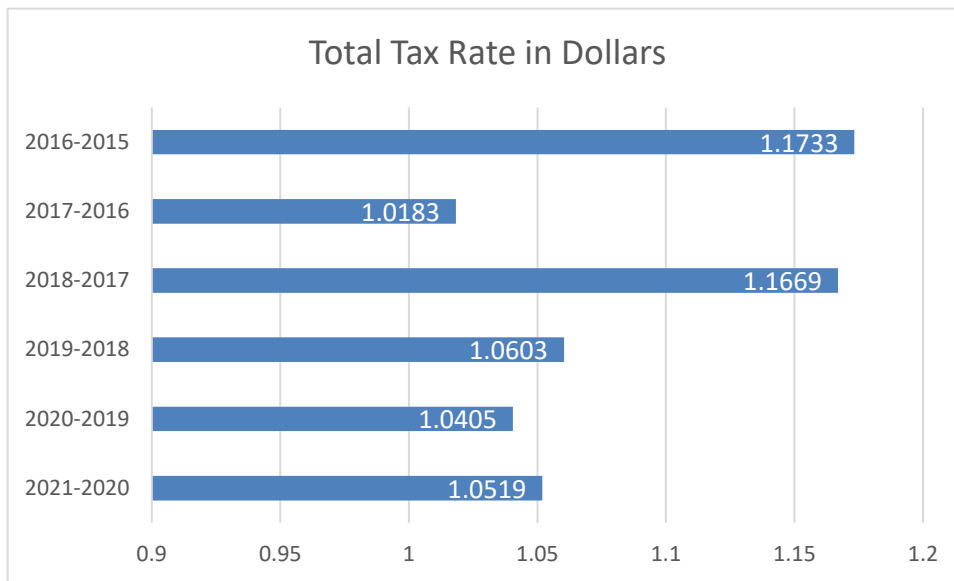
The chart below, *Tax Rate Over Time*, provides insight into how taxes have changed in Donald over the last decade. The “Total Tax Rate” equals the City’s permanent rate of \$0.8752 plus the varying bond rate. The bond rate changes because the payoff and interest change for the bond year (for the debt service chart see the Debt Service Fund). Prior to 2012, the City had two outstanding bonds to repay loans for water and sewer infrastructure projects. This chart shows that there is an increase of 1.83% this year in the assessed value and the overall amount paid by tax payers is a penny for every \$1,000 of a property’s value.

Tax Rate Over Time					
Year	Assessed Value	% Change/Time	Bond Rate	Total Tax Rate	% Change
2021-2022	\$ 116,306,257	1.83%	TBD	TBD	TBD
2021-2020	\$ 114,220,842	1.12%	0.1767	1.0519	1.10%
2020-2019	\$ 112,950,850	22.66%	0.1653	1.0405	-1.87%
2019-2018	\$ 92,082,013	27.53%	0.1851	1.0603	-9.14%
2018-2017	\$ 72,205,677	5.88%	0.2917	1.1669	14.59%
2017-2016	\$ 68,198,636	3.54%	0.1431	1.0183	-13.21%
2016-2015	\$ 65,867,593	2.97%	0.2981	1.1733	34.06%
2015-2014	\$ 63,964,957	3.45%	0	0.8752	-36.82%
2014-2013	\$ 61,831,298	0.59%	0.51	1.3852	5.59%
2013-2012	\$ 61,471,319	4.66%	0.4431	1.31183	-40.71%
2012-2011	\$ 58,735,336	1.25%	1.3372	2.2124	-0.75%
2011-2010	\$ 58,011,595	3.69%	1.3539	2.2291	-2.19%
2010-2009	\$ 55,947,994		1.4038	2.279	

Below is a chart giving information about how the City's assessed value has changed over time. There are several reasons that it is up ticking. The City has added to its value several large industrial buildings and their capital equipment. The other reason is that homes are worth more in the last few years. These factors add to the City's worth (assessed value).



The chart below shows how the total tax rate in Donald has not change much in the last six years. It has range from a high of a \$1.17 to a low of \$1.04, for every \$1,000 of a property's value. This is a six-year average of \$1.08.



The chart, *2020 Marion County Composite Tax Rate by Incorporated City* reports that when all taxing district rates are calculated together, Donald tax payers pay \$12.2415 for every \$1,000 of a property's assessed value. Other taxing districts include Marion County, Aurora Fire District and their local option tax, North Marion School District and their local bond, Chemeketa Community College, Marion County 4-H Extension Service and a few others.

The City of Donald is the lowest rate in Marion County. Although this graph only shows 2020, Donald has been the lowest since 2014.

Using the 2020 Donald tax rate, a property that has an assessed property value of \$300,000 paid about \$316 for the year toward the City's General Fund. The General Fund uses the tax dollars it receives to pay for administration, planning and building services, parks, policing and community and economic development. As the City grows and receives more General Fund revenues, because the assessed value goes up because the new properties are paying into the system. As this happens, I hope to see that more services are offered to the public.

2020 Marion County Composite
Tax Rate by Incorporated City

City	Tax Code Area	Composite Rate
WOODBURN	10303030	19.8843
WOODBURN	10303035	19.8343
SALEM	92401000	19.6600
GERVAIS	00110030	19.2500
MT ANGEL	09115150	17.7265
MILL CITY	12914140	17.2004
SILVERTON	00402028	16.8301
KEIZER	92420220	16.5824
AURORA	01506065	16.4049
IDANHA	12912120	16.2799
AUMSVILLE	00505050	15.6610
TURNER	00519190	15.5466
HUBBARD	01511110	15.3815
STAYTON	02904040	15.0584
DETROIT	12907120	14.9291
JEFFERSON	81413130	14.6366
GATES	12909090	14.0202
SAINT PAUL	04516160	13.8397
SCOTTS MILLS	00417028	13.2928
SUBLIMITY	02918180	12.6430
DONALD	01508060	12.2415

Quick Note on Enterprise Zones:

The City is in a joint Enterprise Zone with the cities of Hubbard and Aurora, called the North Marion Enterprise Zone. The Enterprise Zone rules are set by the State. SEDCOR processes the applications for the City of Donald and serves as the Zone Manager. An Enterprise Zone provides an exemption to some types of industrial businesses from paying local property taxes on new investments (buildings or capital equipment) for three to five years. Upon expiration they start paying their taxes, which increases the amount of property taxes received by the City. The owner does not pay taxes for any of the taxing districts.



Getting More Tax Revenue:

There are just a few ways to increase the City's taxing rate; since property taxes are based on assessed values. (Remember, the tax rate is *permanent*). These are the ways a City could increase the amount of taxes it collects:

- Through the passing of a bond.
 - These are voted on by property owners.
 - They are for a specific purpose.
 - For a limited duration of time. (After expiration the taxpayers are usually asked to renew the bond by another vote.)
 - Overall, this makes it an unstable rate raising mechanism.
- Expiration of the City's Enterprise Zone, and the industrial-based business rejoins the tax rolls.
- Ending of the Enterprise Zone program (meaning no longer offered by the City).
- Adding properties, homes or businesses to the City's tax roll. The tax rate will still be \$0.8752 for every \$1,000 of it the structure and/or property's worth.
 - Soon a large lot will be developed at the Donald Industrial Park, which could add tax revenue, unless they take advantage of the Enterprise Zone. Another large developable Employment Industrial lot is on south Matthieu Street but it is also subject to the Enterprise Zone, and no pending land use file. All of these developments will increase the City's assessed value, but if they use the Enterprise Zone, they will not pay taxes for a few years.
 - The addition of the first 29 homes of Harvest Gardens is in the works and if added by November could also increase the City's tax collection.

Arriving at the Budget Numbers: Estimations, Assumptions and Plans:

Being fiscally conservative is critical to making Donald's budget work. Especially surrounding the lasting effects that the coronavirus will have on the world's economy, as we see expenses for some products rise due to scarcity.

Price Quotes for Projects

Annually, as the staff prepares the budget, they get price quotes for projects so that the estimates for supplies, services and materials are practical. All revenues that the City receives are estimated conservatively, which helps to reduce expenditures, narrow in priorities, plan for future repair and maintenance expenditures, and build savings for the future. Staff also estimates the beginning balances of funds conservatively.

Taking Care of Assets

The City of Donald proudly provides the most fundamental services for human survival including clean water and waste removal, as well as, safe parks and streets which are critical to urban living. But these systems continue to age and we all need to make sure there is money set aside to pay for their maintenance. In the last few years, the City staff and Council have prioritized maintaining the existing infrastructure and repairing it when needed instead of replacing it later. I am happy to report that over the last several years there have been fewer emergency repairs or unpredicted expenses.



Using Professional Studies

2021 Water and Sewer Rate Study

At their May 11, 2021 Meeting the Donald City Council adopted the professional water and sewer study that was prepared by Steve Donovan of Donovan Enterprises. The study provided a rate schedule with the appropriate levels of needed revenue until the year 2026. The recommended rates were used to build the water and sewer budget.

2019 Street Condition Survey

In 2019, the City completed an inventory of the City owned and maintained streets with a company based out of Salem called Capitol Asset and Pavement Services. The study gave the City a rating of 72% for all City streets in 2019 and is now at 68%. If nothing is done, we will continue to drop. It was estimated that when we reach a rating of 67% it will nearly double to do the same work as with the 72% rating. Sadly, we are almost there.

This independent street report suggested to apply for grants and start a monthly collection to fund streets, which would be added to the monthly utility bills. Just as a gauge, if this street fee was set at \$10 a month, from 400 accounts it would generate \$48,000 a year. Below are two scenarios detailing the City's goal of a 70% street rating and an 80% street rating.

70% Scenario:

Total Spent on Rehabilitation is \$41,394 and Preventative Maintenance is \$41,996 with a Deferred Amount of \$432,319

	To Spent: Rehab	To Spent: Prev. Maint	Total for Budget	Amount Deferred
70%				
2021	\$ -	\$ 19,465	\$ 19,465	\$ 143,648
2022	\$ 4,054	\$ 7,925	\$ 11,979	\$ 140,241
2023	\$ 8,824	\$ 8,333	\$ 17,157	\$ 244,634
2024	\$ 14,703	\$ 6,048	\$ 20,751	\$ 238,090
2025	\$ 13,813	\$ 225	\$ 14,038	\$ 432,319
Total	\$ 41,394	\$ 41,996	\$ 83,390	

80% Scenario:

Total Spent on Rehabilitation is \$389,807 and Preventative Maintenance is \$44,395 with a Deferred Amount of \$2,745

	To Spent: Rehab	To Spent: Prev. Maint	Total for Budget	Amount Deferred
80%				
2021	\$ 45,083	\$ 43,733	\$ 88,816	\$ 74,306
2022	\$ 9,540	\$ -	\$ 9,540	\$ 71,258
2023	\$ 144,086	\$ -	\$ 144,086	\$ 46,649
2024	\$ 21,727	\$ -	\$ 21,727	\$ 33,187
2025	\$ 169,371	\$ 662	\$ 170,033	\$ 2,745

- To hit 80%, 2021 cost is \$88,816
- To hit 80%, 2021-2025 cost is \$434,202
- To hit 70%, 2021 cost is \$19,465
- To hit 70%, 2021-2025 cost is \$83,390

The Street Saver program tells us that if we want to get to an 80% rating, then this year the City would have \$88,816 in cost, and still defer \$74,306 to a later date. If a 70% is desirable a \$19,465 is needed to be spent with \$143,648 deferred.

This will be left to the determination of the Budget Committee and final approval of the City Council. Staff has not included a monthly street fee in this edition of the budget.

Grant Work and Outside Funding:

American Rescue Act Plan (ARAP): Donald is estimating to receive two payments totaling \$216,100 from the federal government. However, the exact amount is not yet known. Since at the time of this budget, the guidelines are still being developed and the dates of payments are unknown, staff planned for both to be received during this fiscal year. We set up a Resource Line in the General Fund called the American Rescue Act (01-0-516) and an Expense Line (01-6-810)



this will help increase transparency in how this money is spent. The Council is learning the rules and collecting ideas about how to spend this money. Some of the ideas for infrastructure spending are assisting with the cost of the new well or repairing the storm line on Williams Street.

Marion County Community

Prosperity Initiative:

The City Council will discuss the options for spending the rest of this money.

Marion County generously awarded

each of its small cities grant money to spend for the purpose of economic development. The City of Donald has a total of \$45,000 that has come in over three years. The last \$15,000 is available July 1, 2021. To date, money was spent on improvements to the Community Center, a changing table in the Donald Hometown Park Restroom and other community projects. The expenses are budgeted for in the General Fund's Community Development Department.

Infrastructure Grant: The City was chosen as Governor Kate Brown's top award for the Workforce Housing Pilot Project. The City has \$195,000 that it is using to design a new well and lagoon to handle the growth for the Harvest Gardens Housing Project. This grant money will help offset the costs to builders, which in turn will reduce the price of the new homes. This program is highly monitored by two State departments: Community Housing Authority and Business Oregon. Governor Brown has hopes that this program's success can be replicated in the future to other jurisdictions that need workforce housing. This money is budgeted in both the Water and Sewer System Development Funds since it can be used for either system's engineering.

DLCD Planning Assistance Grant: This \$1,000 is from the Department Land Conservation Department for small cities to use for planning assistance.

Matthieu Street Road Improvements: The City has two open ODOT Small Cities Grants for work on the south side of Matthieu Street. Currently, the City is in contract negotiation for Phase 1 and it is unknown if the project will be complete before June 30, 2021. For this reason, the

budget contains the payment and the grant reimbursement for Phase 1. Later in the year, Phase 2 of Matthieu Street will happen. Phase 2 is estimated to cost \$180,000 plus engineering costs. The Street Fund is estimating to pay for the remaining costs. The City received two \$100,000 ODOT Small Cities Grant for the work on Matthieu Street, and both are included in the Street Fund.

AARP Community Challenge: The City applied to AARP's Community Challenge Grant for \$200,385 for ADA playground surfacing for the Donald Hometown Park, three benches to be placed by the City's walking maps and a permeant restroom at the Skate Park. There is no communication at this point from AARP to understand the likelihood of being awarded the grant but since we applied, it was included in the General Fund, in the Park's Department.

What Are the Big Fixed Costs?

Labor: As with any public or private company's budget, the City's biggest expenses is labor. The City has six full-time employees (no part-time and no seasonal jobs). Each of the employees' salaries, benefits, employer taxes and employer-related expenses are divided between funds (General, Street, Water and Sewer). The budget follows the adopted salary schedule.



Liability, Workers' Compensation, and Property Insurance: The City (like most cities and counties in Oregon) is insured for liability, auto physical damage, workers' compensation, volunteers and property insurances through City-County Insurance Services (CIS). All cities and counties that participate in CIS are treated as one entity; meaning we are in a pool for insurance. At their annual conference, CIS releases the "not to exceed" values for the next fiscal year and we use these numbers to develop the budget. Each of these costs are split over the City's funds. CIS is disbanding their self-insurance program for worker's compensation insurance and instead they will manage all cities/counties under SAIF. Below are the increases that are suggested and are included in this budget.

Auto Insurance: + 10%
Property Insurance: +13%
General Liability: +13%



2021's Big Projects:

On each Fund's page, you will see information about various projects that are budgeted to be completed during the fiscal year. However, here are a few projects for your attention that require a lot of labor and/or money.

A New Water Source: It is presumed that Well #3 will be engineered, sited, drilled, permitted and come on-line for serving our customers this year. The City's customers will foot 50% of the cost at \$375,000. The other half is funded by developers. This was a planned expense in the City's Water Fund, and included in the Water Rate Study for the following fiscal year. However, there is a drive to get this done this fiscal year. If the City wants to do this early, then they will need to

fund it with money from the American Rescue Act Plan, by taking out a loan, or with a bond. We have set up the Water Fund to contribute \$221,617 this year, so that the money is available if opportunity arises.

Policing: The General Fund is budgeting \$51,500, which maintains the same level of policing as the previous year. The PGE Privilege Tax is estimated to bring in \$15,170 next year. This means the General Fund revenues will need to pitch in \$36,330. Providing this level of service continues to be difficult to maintain, and means that other departments like Parks or Community Development are underfunded. In the near future, a different more cost-effective approach will need to be evaluated for providing policing services. There is also \$11,000 included for solar speed signs, but this could also be used for police costs if the Council decides.

Security Camera and System Upgrades: City Hall, Parks, Streets, Water and Sewer will all chip in for a security camera and system upgrade. This is an area that it is important to keep current.

American Rescue Plan Act: I am curious how the City Council will choose to spend the ARPA money. This is a lot of money that can make a big difference in our small town.

Final Thoughts

At the time of writing this budget, we are still living in a Pandemic effected world. City Hall continues to serve people through a walk-up window, Public Works are social distancing, the Community Center is closed to visitors, and we are holding City meetings using Webex. However, we have gained back our parks being reopened and the City's collections are not doomed as we had predicted one year ago.

Because of our conservative approach to budgeting, Donald can weather this just as we did the last recession. Even in times of heightened economic growth, we have followed the model of

never taking on more than we can provide for, repair instead of replace, planning years in advance for expenses and saving money.

I do recommend that the Council continue to evaluate the Quarterly Budget Status Report that staff sends to the Council to track expenditures and revenues, seeing if any changes are needed to the budget. State budget laws allow for over-collection in revenues, but does not permit over-expenditures. Over the last year, we have learned that the future is unknown, so planning a precise budget is difficult, but it is a good tool to drive us forward to achieve our goals.

Lastly, as always, it is my wholehearted recommendation that the Council and staff continue to working together. It takes a full commitment from staff, Councilors, Budget Committee Members and City leaders to educate yourself and then the public about our City's revenues sources, low tax rate, costs and projects.

In the essence of cooperation and communication there will be a large task of figuring out how to spend the ARPA money and the CPI money. Although it seems like a lot of money, there is a lot of need and infrastructure is expensive. Prioritization and focusing on the community as a whole should be at the forefront of these discussions. The Council should start to educate themselves on the allowed expenditures (that we know so far) and think about what is needed in the community. This is very unusual to have this money with the flexibility; it is a great opportunity for our small city and I am excited to be a part of this community building.

Thank you for taking your time to review this message. Please let me know if you have any questions or comments; I am always happy to be of service.

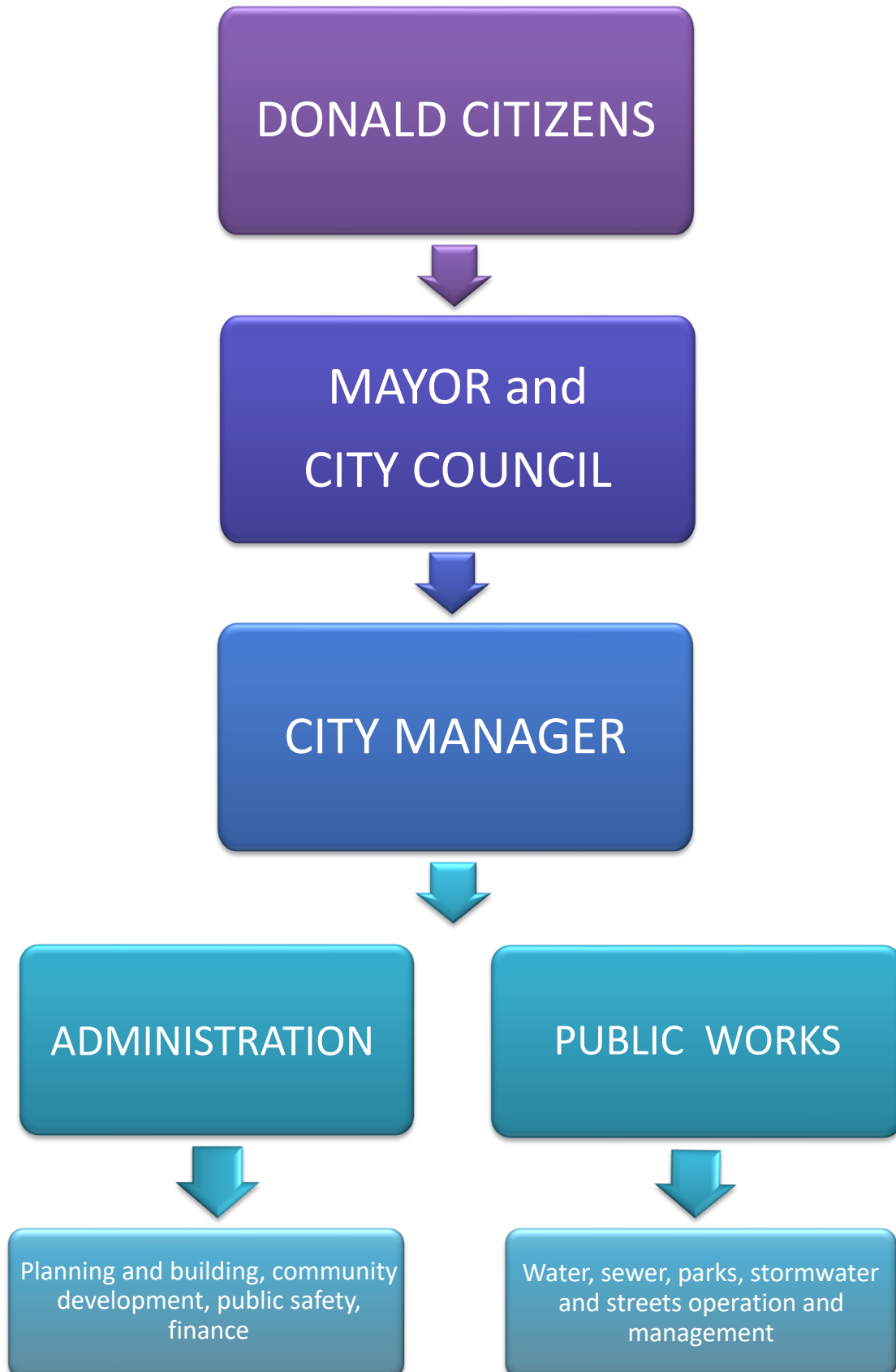
Respectfully Submitted By:
Heidi Bell,
City Manager



City of Donald

Fiscal Year 2022

ORGANIZATIONAL CHART

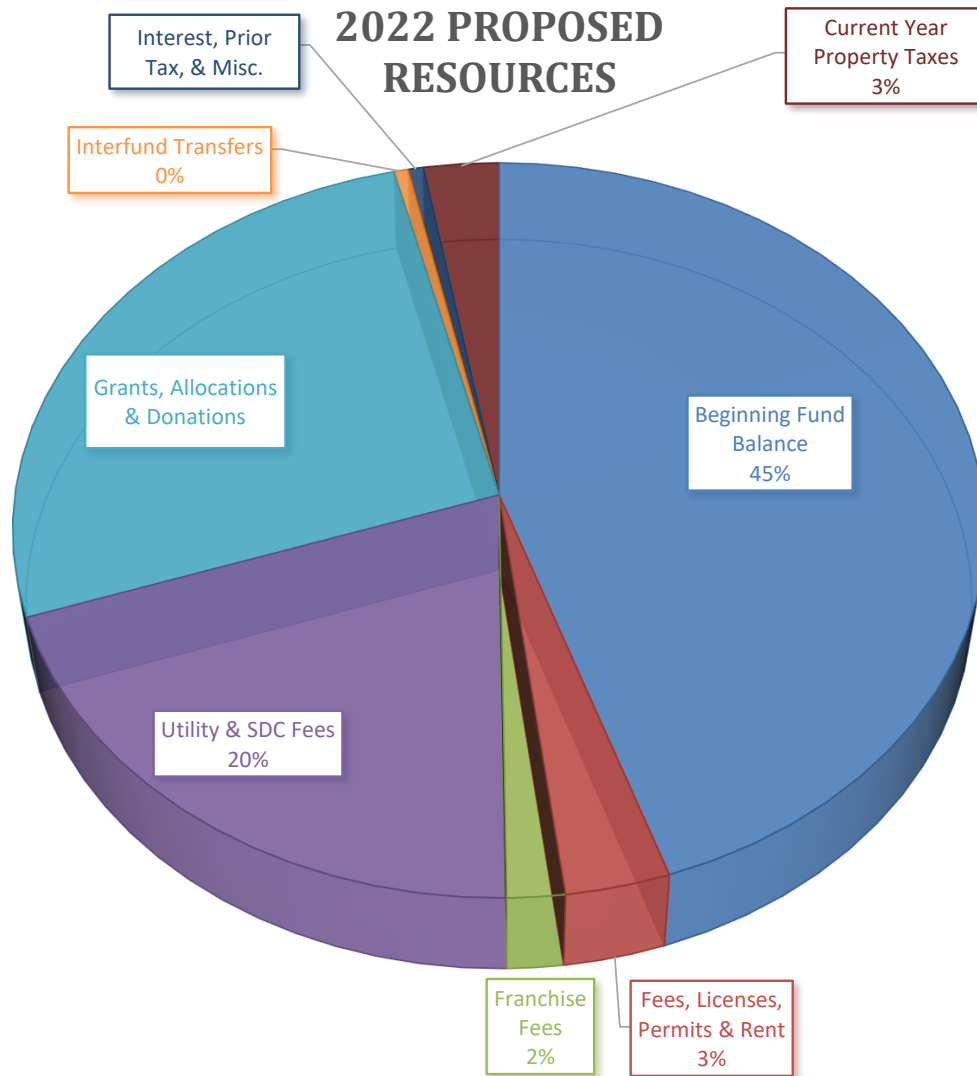


City of Donald

Fiscal Year 2022

OVERVIEW

2019 Actual	2020 Actual	2021 Budget	Resources Summary	2022 Proposed	2022 Approved	2022 Adopted
1,698,310	1,909,171	1,799,915	Beginning Fund Balance	1,908,143	0	0
39,855	61,829	55,080	Fees, Licenses, Permits & Rent	136,000	0	0
78,477	73,584	70,830	Franchise Fees	74,850	0	0
595,063	639,461	637,488	Utility & SDC Fees	848,855	0	0
150,879	107,879	1,393,140	Grants, Allocations & Donations	1,126,684	0	0
29,026	29,674	30,585	Interfund Transfers	21,488	0	0
48,409	51,397	52,914	Interest, Prior Tax, & Misc.	24,275	0	0
92,738	111,150	106,035	Current Year Property Taxes	116,792	0	0
2,732,757	2,984,145	4,145,987	Total	4,257,087	0	0

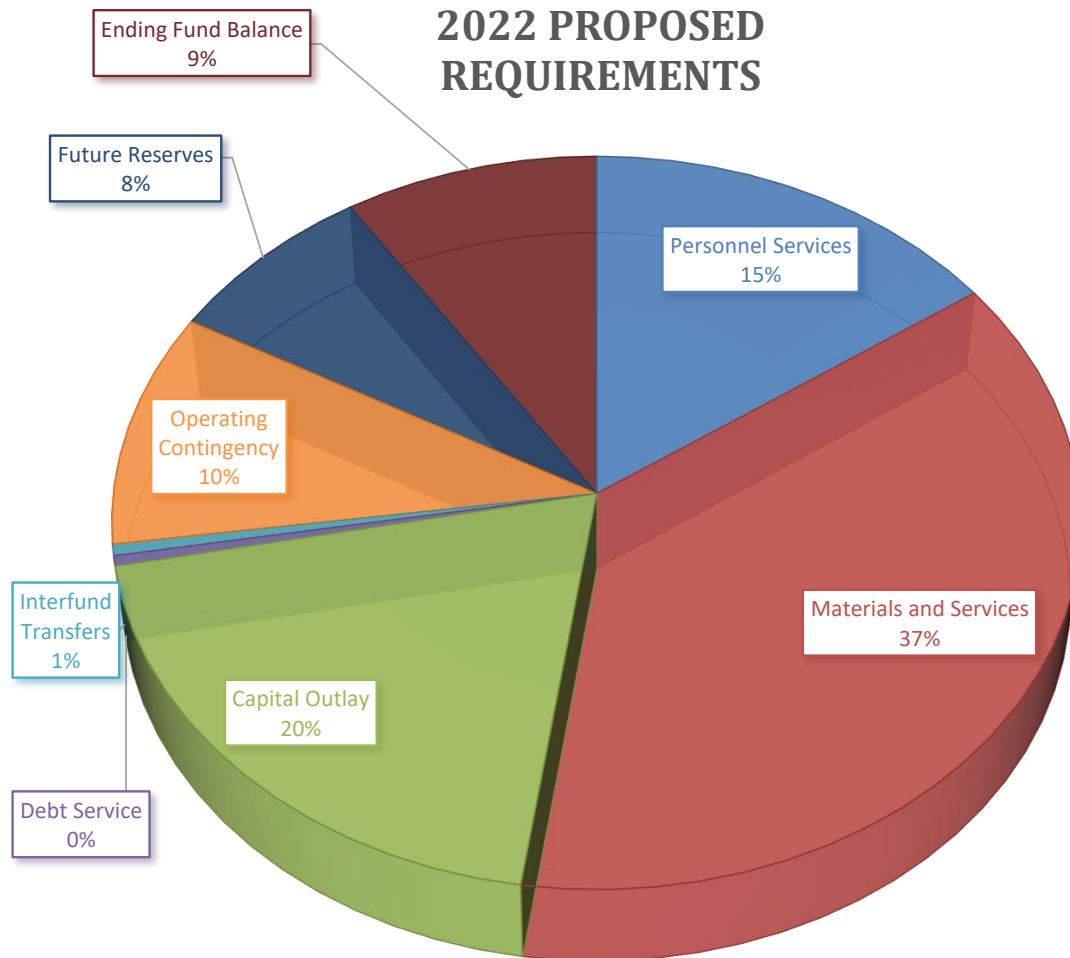


City of Donald

Fiscal Year 2022

OVERVIEW

2019 Actual	2020 Actual	2021 Budget	Requirements Summary	2022 Proposed	2022 Approved	2022 Adopted
456,740	494,954	599,680	Personnel Services	648,697	0	0
310,263	341,586	1,117,680	Materials and Services	1,578,394	0	0
6,993	282,472	1,331,000	Capital Outlay	832,002	0	0
20,566	20,065	19,577	Debt Service	19,065	0	0
29,026	29,674	30,585	Interfund Transfers	21,488	0	0
0	0	418,500	Operating Contingency	440,000	0	0
0	0	131,398	Future Reserves	328,088	0	0
1,909,169	1,815,394	497,567	Ending Fund Balance	389,353	0	0
2,732,757	2,984,145	4,145,987	Total	4,257,087	0	0



General Fund

The General Fund provides funding for several programs including administration, planning and building, parks, community development and public safety. The principal sources of revenues are property taxes, franchise fees and the City's share of State revenues.

Revenue Highlights

Property Taxes: Donald's permanent property tax rate is \$0.8752 per \$1,000 of a property's assessed value which is one of the lowest permanent rates in Marion County. The estimated assessed value of the City of Donald for Fiscal Year 2021-2022 is \$180,176,676. It is anticipated that roughly 5% percent of the property taxes will go uncollected. It is estimated that \$96,700 will be collected in property taxes.

Donations: It is critical that the Donald Community Center (DCC) collects donations for its operations, which are received under the Donations line and monitored by City Staff. Although the DCC is free to rent, donations are requested from the renters. The deposit is \$1/person for private events or \$31 if the event is open to the general public. This year estimates are reduced since the DCC is currently closed but we are hopeful that it will reopen sometime in the year.

Planning and Building Fees: As always, it is difficult to estimate the amount of development applications the City will receive in a year. Application and service fees for developers are collected at City Hall, a portion is kept for administrative costs and then the remaining amount is sent to the contracted agency (City Attorney, City Planner and City Engineer). The City is estimating \$100,000 in these fees since we are expecting several large-scale projects in the fiscal year and the amount that is passed-through to other agencies is very difficult to budget. The incoming money is tracked in 01-0-503 and the expenses are tracked in 01-2-751.

State Revenue: Cities receive payments from five different shared revenue programs through the State, most are based on population. Four of them contribute to the funding of the General Fund, the other is gas tax and is collected in the Street Fund. For details on the how these are calculated please reference the League of Oregon Cities *State Shared Revenue Report* on their website*.

The number used for Donald's population for December 2020 was certified at 995. Although, PSU could, in June 2021, actually certify the population at 1,150. We budgeted a conservative approach using a slightly lower amount for each of the State Revenue shares.



Below is the chart that the City uses to base the estimates for these shares. We do not get a portion of 911 Tax Revenues.

Per Capita State Shared Revenues for Cities

Per capita distributions for revenue sources are calculated based on [certified population statistics](#) from Portland State University's Center for Population Research (PSUCPR). Population estimates compiled each July are typically certified on December 15, and thereafter begin to govern the distributions.

	Highway Trust Fund Revenues (Gas Tax)	Liquor Revenues (20% of Total Share)	Marijuana Tax Revenues (75% of City's Share)	Cigarette Tax Revenues	9-1-1 Tax Revenues
2018-19 Actuals	\$71.15	\$16.58	\$2.74	\$1.15	\$5.05
2019-20 Actuals	\$69.21	\$17.66	\$3.46	\$1.10	\$6.09
2020-21 Estimates	\$68.61	\$19.25	\$3.06	\$0.93	\$7.21
2021-22 Estimates	\$75.84	\$18.51	\$1.27	\$0.76	\$9.12
2022-23 Estimates	\$76.32	\$19.27	\$1.26	\$0.73	\$9.15

Note on Marijuana Tax: At the November 2016 Election, Donald voters confirmed that marijuana business sales would be allowed in the City limits. The State imposes a 17% tax on recreational marijuana products. The City of Donald has a city tax of an extra three percent but there is no local marijuana business to impose the tax on. The State distributes 10% of the total tax amount to cities. The distribution formula for splitting the ten percent of the tax is below. Donald is included in the 75% calculation; since we don't currently have a licensee.

Marijuana Tax Calculation:

75% of the 10% share will be distributed per capita (based on population of eligible cities).

25% of the 10% share will be distributed based on licensure numbers in the city compared to the total licenses in all eligible cities for the quarter.

* League of Oregon State Share Revenue Reports:

<http://www.orcities.org/Publications/Library/tabid/6518/language/en-US/Default.aspx>

PGE "Privilege" Tax: In 2016, the City Council approved the collection of an additional 1.5% on Donald customer's PGE electric bills. The Council set this program up to only fund for police services. Last year the City estimated to receive \$13,980 and we expect a slight uptick so it is budgeted at \$15,170.

Administration Fees: This line tracks fees that are collected for administration services like lien searches, NSF charges and local business's OLCC fees.

Permits and Fees: This line tracks the 30% administration fee that the City receives when developers submit a planning and/or building application. The additional fee helps to offset City staff hours and materials for processing these applications. This is not a predictable revenue stream since it relies on the number of planning or building applications received in a year.

General Fund Grants:

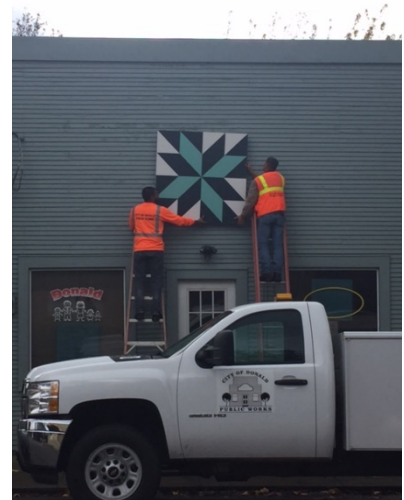
AARP Community Challenge: The City applied to AARP's Community Challenge Grant for \$200,385 for ADA playground surfacing for the Donald Hometown Park, three benches to be placed by the City's walking maps and a permeant restroom at the Skate Park. There is no communication at this point from AARP to understand the likelihood of being awarded the grant but since we applied, it was included in the General Fund, in the Park's Department.

DLCD Planning Assistance Grant: This \$1,000 is from the Department Land Conservation Department for small cities to use for planning assistance.

Community Prosperity Initiative (CPI): The Council will make a decision on how to spend the remaining CPI money that was given to the City for the purposes of economic development from Marion County. The County gave each small city in \$15,000 over the course of three years for a local economic development project. \$38,820 is budgeted.

Transfers In: The Water and Sewer Fund each reimburse the General Fund to pay for their portions of costs associated with operating out of City Hall. This is reflected on the Transfer Schedule. Also, System Development Charge Funds allow for a transfer to the General Fund of the previous year's fees received to cover administrative costs. The Transfer Sheet provides the details.

State Revenue Share: City councils can elect to receive a portion of the State Shared Revenue. It is estimated that it will be \$8,250 for this coming year. These funds are budgeted to pay for the activities that are listed in the Community Development Department, see table below.





American Recue Plan: This year we added lines in the resources and requirements to track the anticipated federal stimulus money of \$216,100. Half should become available to the City to use in June 2021, and the other half in June 2022.

Expense Highlights

Materials and Supplies: City Hall employees will have the option of having a standing desk at their work stations.

Outside Services: Security cameras and a system update for City Hall and parks.

Legal: This year there will be a rehaul of the City's Business Code and the City Attorney will be involved in this project.

He will also complete an analysis of the City's Charter for possible vote by the Donald voters.

Municipal Court: The City will hold municipal court for code enforcement, when needed.

Repair and Maintenance: A storm line is damaged on north Williams Street and it is causing flooding in the area. The General Fund has to pay for this since the City does not have a revenue source for stormwater. Other cities collect a monthly stormwater utility fee to help with these costs. This project is estimated at \$4,500 and Marion County Public Works is going to provide some help of labor and equipment since the issue also effects Main Street, which falls under their jurisdiction.

Public Safety: Outside Services: The City will find an outside agency to provide police coverage. There is \$51,500 budgeted for this expense. This amount represents keeping the same level of coverage as the year prior, but increasing the amount for inflation. The PGE Privilege Tax helps to pay for the policing costs but does not cover the full amount of policing. The General Fund contributed money can also be used for other general public safety activities, like traffic calming projects, but it results in less policing.

Public Safety: Outside Services: There is \$11,000 budgeted for the purchase of solar speed signs for coming into the City, but could be used for policing services if the Council decides.

Parks: Community Center: The Donald Community Center continues to be closed, yet there are still operation costs. Some of its costs were traditionally offset by donations received for the year. The costs are set at \$2,500 for the year.

Parks: Repair and Maintenance: There is \$400 to replace the door and frame on the Donald Hometown Park's shed.

Community Development Department: The holiday decorations are in need of repair and purchasing some new ones, there is \$4,000 included for this work.

Contingency: This amount is appropriated in the budget in case there are unforeseen operating expenditures that might occur during the year.

Unappropriated: This amount will be used as a cash carryover to the next year's budget until tax money is received from the county treasurer in November.

General Fund Expense Highlights

Line #	Name of Line	Activity	Cost
01-1-705	Materials & Supplies	Standing Desks	\$500
01-1-710	Outside Services	City Hall Security Cameras and System	\$4,000
01-1-755	Repair & Maintenance	Storm Line Repair: Williams Street	\$4,500
01-4-710	Police/Outside Services	Annual Police Services	\$51,500
01-4-710	Police/Outside Services	Solar Speed Signs	\$11,000
01-5-710	Park/Outside Services	Park Security Cameras and System	\$500
01-5-755	Park/Repair & Maintenance	Replace Park Shed Door and Frame	\$400

Community Development Department Expenses: 01-6-800

Estimated State Share \$8,250	Cost
Community Prosperity Initiative \$39,000	
Oregon Mayor Association Membership Dues and Conferences	\$100
Meetings & Travel Expenses: Mayor, Councilors & Planning Commissioners	\$190
Donald Hazelnut Festival Donation	\$500
Street Flower Baskets/Flowers at City Hall	\$700
Council Discretionary	\$200
Mayor's Quarterly Business Leaders Meetings Expenses	\$50
City Wide Clean-Up Day	\$2,200
City Events: Meet and Greet, Santa's Sing-a-Long	\$150
Holiday Lighting Competition	\$100
Holiday Décor and Garland Repairs	\$3,000
Donald Beautification Group	\$500
Mayor Monthly Cell Phone Bill	\$560
Subtotal: Community Development Department: State Share	\$8,250
Grant: Marion County Community Initiative for Economic Development	\$39,000
Grand Total	\$47,250

City of Donald

Fiscal Year 2022

GENERAL FUND

		Historical Data		Budget for Next Year			
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources							
01-0-500	Beginning Fund Balance	161,376	210,249	161,416	247,153		
Revenues							
01-0-501	Property Taxes - Current	76,549	93,492	85,850	96,700		
01-0-502	Property Taxes - Prior	3,283	1,934	1,000	1,550		
01-0-503	Planning & Building Fees	6,962	22,554	25,000	100,000		
01-0-505	Business Registration Fees	3,375	2,650	2,000	2,000		
01-0-506	Permits & Fees	2,008	11,292	3,500	10,000		
01-0-507	Franchise Fees	62,561	59,366	56,850	59,680		
01-0-509	Municipal Court Revenue	N/A	0	200	200		
01-0-514	* Grants	14,000	1,000	154,180	216,385		
01-0-515	Donations	1,470	999	150	150		
01-0-516	• American Rescue Plan	N/A	N/A	N/A	216,064		
01-0-530	State Cigarette Tax	1,132	1,098	1,110	725		
01-0-531	State Liquor Tax	17,329	15,874	17,800	18,400		
01-0-532	State Marijuana Tax	2,828	3,533	3,400	1,250		
01-0-590	Miscellaneous	51	2,110	100	100		
01-0-591	Interest Income	4,068	4,451	2,140	1,060		
01-0-592	Copy & Fax Service Fees	113	46	50	50		
01-0-593	Administration Fees	856	937	300	300		
01-0-594	PGE Privilege Tax	15,916	14,218	13,980	15,170		
01-0-596	State Revenue Sharing	8,340	9,443	7,000	8,250		
01-0-598	Transfers In	19,026	19,674	20,585	20,488		
Total Revenues		239,867	264,671	395,195	768,522	0	0
Total Resources		401,243	474,920	556,611	1,015,675	0	0
Requirements for Administration							
Personnel Services							
01-1-610	Administrative Salaries	48,274	50,847	54,400	57,406		
01-1-615	Payroll Taxes/Benefits	33,137	32,266	44,020	47,133		
Total Personnel Services		81,411	83,113	98,420	104,539	0	0
Total Full-Time Equivalent (FTE)					0.80		
Materials & Services							
01-1-701	Advertising	284	737	1,200	1,200		
01-1-705	* Materials & Supplies	2,229	2,051	53,600	3,500		
01-1-706	Postage	401	482	600	600		
01-1-708	Legal	1,416	3,867	5,000	12,000		
01-1-709	Accounting	3,200	3,941	4,350	4,350		
01-1-710	Outside Services	10,174	11,519	12,000	17,500		
01-1-712	Dues & Subscriptions	2,934	3,291	3,400	3,800		
01-1-713	Travel, Meetings, Education	492	421	1,000	1,500		
01-1-714	Municipal Court	N/A	300	1,750	4,750		
01-1-751	Permits & Fees	20	20	100	100		
01-1-753	Insurance & Bonds	3,827	2,558	2,850	3,220		
01-1-755	Repair & Maintenance	1,239	810	10,500	8,500		
01-1-757	Utilities	4,828	5,397	5,900	6,300		
01-1-758	Bank Charges	1,565	1,797	1,800	1,950		
01-1-760	Refunds & Misc.	0	0	100	100		
Total Materials & Services		32,609	37,191	104,150	69,370	0	0
Capital Outlay							
01-1-805	City Hall Improvements	N/A	10,363	0	0		
Total Capital Outlay		0	10,363	0	0	0	0
Total Administration Requirements		114,020	130,667	202,570	173,909	0	0

GENERAL FUND - Continued

		Historical Data		Budget for Next Year			
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Requirements for Planning & Building							
Materials & Services							
01-2-701	Advertising	60	25	200	200		
01-2-705	Materials & Supplies	53	28	200	200		
01-2-710	Outside Services	12,178	8210	10,000	16,000		
01-2-711	Grant Funded Outside Services	0	N/A	1,000	1,000		
01-2-751	Planning & Building Fees	6,858	24673	25,000	100,000		
01-2-760	Refunds & Misc.	233	45	100	100		
Total Materials & Services		19,382	32,981	36,500	117,500	0	0
Total Planning & Build. Requirements		19,382	32,981	36,500	117,500	0	0
Requirements for Public Safety							
Materials & Services							
01-4-710	Outside Services	15,136	24,456	50,000	62,500		
Total Materials & Services		15,136	24,456	50,000	62,500	0	0
Total Public Safety Requirements		15,136	24,456	50,000	62,500	0	0
Requirements for Parks							
Personnel Services							
01-5-605	Maintenance Wages	12,206	11,810	15,660	17,678		
01-5-615	Payroll Taxes/Benefits	7,048	6,686	11,960	13,504		
Total Personnel Services		19,254	18,496	27,620	31,182	0	0
Total Full-Time Equivalent (FTE)		0.30					
Materials & Services							
01-5-705	Materials & Supplies	0	4,170	7,500	6,500		
01-5-707	Vehicle Operation & Maint.	N/A	647	500	500		
01-5-710	Outside Services	4,653	6,121	4,000	4,500		
01-5-716	Uniforms	N/A	106	120	120		
01-5-753	Insurance & Bonds	N/A	950	1,125	1,270		
01-5-755	Repair & Maintenance	2,368	310	4,000	4,500		
01-5-757	Utilities	768	971	1,600	1,600		
01-5-760	Refunds & Misc.	0	0	50	50		
01-5-790	Community Center	997	1,149	2,500	2,500		
Total Materials and Services		8,786	14,424	21,395	21,540	0	0
Capital Outlay							
01-5-805	Park Improvements	N/A	17,707	0	0		
01-5-806	Grants	0	54,359	31,000	200,385		
Total Capital Outlay		0	72,066	31,000	200,385	0	0
Total Parks Requirements		28,040	104,986	80,015	253,107	0	0
Requirements for Community Development							
Materials & Services							
01-6-800	* Community Development	4,416	6,378	38,880	47,070		
01-6-810	• American Rescue Plan	N/A	N/A	N/A	216,064		
Total Materials & Services		4,416	6,378	38,880	263,134	0	0
Total Comm. Devel. Requirements		4,416	6,378	38,880	263,134	0	0

GENERAL FUND - Continued

	Historical Data			Budget for Next Year		
	Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
General Fund Requirements						
Administration Dept.	114,020	130,667	202,570	173,909	0	0
Planning & Building Dept.	19,382	32,981	36,500	117,500	0	0
Public Safety Dept.	15,136	24,456	50,000	62,500	0	0
Parks Dept.	28,040	104,986	80,015	253,107	0	0
Community Development Dept.	4,416	6,378	38,880	263,134	0	0
Total Allocated Requirements	180,994	299,468	407,965	870,150	0	0
Requirements Not Allocated						
Interfund Transfers						
01-1-784 Transfers to Water Fund	5,000	5,000	5,000	500		
01-1-785 Transfers to Sewer Fund	5,000	5,000	5,000	500		
Total Interfund Transfers	10,000	10,000	10,000	1,000	0	0
01-1-900 Operating Contingency			50,000	75,000		
01-1-950 Unappropriated Ending Balance			88,646	69,525		
Total Requirements Not Allocated	10,000	10,000	148,646	145,525	0	0
Ending Balance (prior years)	210,249	165,452				
Total Requirements	401,243	474,920	556,611	1,015,675	0	0

Key: N/A Line is not applicable for year

 * Resolution No. 511-20 approved 8/11/2020. Resolution No. 514-20 approved 8/26/2020.

 • New Line

Street Fund

The State Highway Tax Apportionment is the sole funding for the Street Fund. This money is collected through gasoline sales tax and DMV fees by the State and then divvied up amongst governments in Oregon depending on population size. The Street Fund budgets for repair, maintenance, transportation operation and lighting of the City's streets and roadways. (City streets do not include Butteville RD or Main ST.)



Revenue Highlights

Highway funds can only be expended as per the regulations stated in Oregon Constitution Article IX, Section 3a. The State is estimating for cities to receive \$75.84 per person for the coming year. We have budgeted to receive \$75,460 for the year. There are some property owners on Main Street that owe the City for their payment plan for the sidewalk project, we are budgeted to receive their annual payments. This is down from last year because some have paid their balance.

Expense Highlights

The Blake Court Improvement Project will (finally) be able to get done, which also effects the Water Fund because of the water line that will be replaced. The largest expense in the Street Fund is for the Matthieu Street improvements. There are two \$100,000, ODOT Small Cities grants that will fund these improvements, in two phases. The second phase is more expensive and requires the City to contribute an extra \$100,000 to the project. Tools are split between the parks, streets, water and sewer.

Line #	Name of Line	Activity	Cost
02-1-705	Materials & Supplies	Tools	\$150
02-1-710	Outside Services	Annual Software: Pavement Mgmt.	\$750
02-1-710	Outside Services	PW Security Cameras and System	\$500
02-1-755	Repair & Maintenance	Street Striping	\$2,000
02-1-805	Street Improvement	Local Contribution: Matthieu Street Impvmt.	\$100,000
02-1-805	Street Improvement	Blake Court Water Line/Street Project	\$60,000

City of Donald

Fiscal Year 2022

STREET FUND

		Historical Data		Budget for Next Year			
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources							
02-0-500	Beginning Fund Balance	197,749	226,699	88,966	211,063		
Revenues							
02-0-509	State Gas Tax	71,780	69,932	59,500	75,460		
02-0-510	SCA Grant Funds	0	0	100,000	200,000		
02-0-520	Sidewalk Program	0	0	27,200	13,500		
02-0-590	Miscellaneous	51	303	100	100		
02-0-591	Interest Income	4,940	4,786	1,000	920		
02-0-593	Administration Fees	N/A	0	1,180	600		
Total Revenues		76,771	75,021	188,980	290,580	0	0
Total Resources		274,520	301,720	277,946	501,643	0	0
Requirements for Streets							
Personnel Services							
02-1-605	Maintenance Wages	12,206	11,810	15,660	17,678		
02-1-615	Payroll Taxes/Benefits	7,048	6,686	11,960	13,504		
Total Personnel Services		19,254	18,496	27,620	31,182	0	0
Total Full-Time Equivalent (FTE)					0.30		
Materials & Services							
02-1-705	Materials & Supplies	228	628	1,500	1,500		
02-1-707	Vehicle Operation & Maint.	728	647	500	500		
02-1-708	Legal	939	150	1,500	1,500		
02-1-710	Outside Services	15,292	8,469	8,000	9,000		
02-1-716	Uniforms	300	106	120	120		
02-1-725	Engineering	0	346	27,000	15,000		
02-1-751	Permits & Fees	20	20	1,000	1,000		
02-1-753	Insurance & Bonds	1,354	432	425	490		
02-1-755	Repair & Maintenance	1,568	1,568	7,600	5,900		
02-1-757	Utilities	6,740	6,839	7,500	9,500		
02-1-760	Refunds & Misc.	0	0	50	50		
Total Materials & Services		27,169	19,205	55,195	44,560	0	0
Capital Outlay							
02-1-804	Sidewalk Improvements	0	133,004	0	0		
02-1-805	• Street Improvements	N/A	N/A	N/A	160,000		
02-1-806	Equipment	1,399	0	0	0		
02-1-807	SCA Grant	0	67,039	100,000	200,000		
Total Capital Outlay		1,399	200,043	100,000	360,000	0	0
Total Allocated Requirements		47,822	237,744	182,815	435,742	0	0
Requirements Not Allocated							
02-1-900	Operating Contingency			75,000	60,000		
02-1-950	Unappropriated Ending Balance			20,131	5,901		
Total Requirements Not Allocated				95,131	65,901	0	0
Ending Balance (prior years)		226,698	63,976				
Total Requirements		274,520	301,720	277,946	501,643	0	0

Key: N/A Line is not applicable for year

• New Line

Debt Service Fund

A Debt Service Fund is established to account for the payment of general long-term debt principal and interest. The City of Donald has one outstanding general obligation bond that was issued for \$375,000 on March 8, 2005 to finance improvements to the City's water storage capacity, drinking water system and sewer system upgrades. This bond matures on December 7, 2025. The principal and interest for the bond are paid by property owners and collected by Marion County's Tax Assessor's Office. This tax is collected in addition to the permanent property taxes. Debt service funds are regulated by OAR 150-294.352(1) and ORS 287A.



The outstanding principal balance as of June 30, 2021 will be \$114,294.06. This year the principal payment is \$15,000 and the interest payment is \$4,064.73. The total to meet the bond obligations is \$19,064.73. However, because some property owners don't pay taxes and the City still needs to meet its payments, \$20,092 will be called to pay off these obligations.

In December 2015, the City switched banking institutions, from Wells Fargo to U.S. Bank and at this time the bond was also moved to U.S. Bank. This reduced the interest rate from 5.25% to 3.29%. Overtime, the calculated savings of interest will be about \$24,120.

Below is a simplified bond repayment schedule.

Year	Payment	Interest Due	Total
'21-22	15,000	4,064.73	19,064.73
'22-23	20,000	3,564.38	23,564.38
'23-24	20,000	2,981.32	22,981.32
'24-25	25,000	2,319.60	27,319.60
'25-26	34,294.06	1,965.49	36,259.55
Totals	\$114,294.06	\$14,895.52	\$129,189.58

City of Donald

Fiscal Year 2022

DEBT SERVICE FUND

	Historical Data			Budget for Next Year		
	Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources						
06-0-500 Beginning Fund Balance	8,375	5,361	3,027	2,203		
Revenues						
06-0-501 Property Taxes - Current	16,189	17,658	20,185	20,092		
06-0-502 Property Taxes - Prior	1,155	450	385	315		
06-0-591 Interest Income	208	113	45	20		
Total Revenues	17,552	18,221	20,615	20,427	0	0
Total Resources	25,927	23,582	23,642	22,630	0	0
Requirements						
Bond Principal Payments				Budgeted Payment Date: February 2022		
06-3-751 US Bank Loan - Principal	15,000	15,000	15,000	15,000		
Total Principal	15,000	15,000	15,000	15,000	0	0
Bond Interest Payments				Budgeted Payment Date: August 2021		
06-3-752 US Bank Loan - Interest	5,566	5,065	4,577	4,065		
Total Interest	5,566	5,065	4,577	4,065	0	0
Unappropriated Balance for Following Year				Projected Payment Date: August 2022		
US Bank Loan			4,065	3,565		
Total Unappropriated Ending Fund Balance			4,065	3,565	0	0
Ending Balance (prior years)	5,361	3,517				
Total Requirements	25,927	23,582	23,642	22,630	0	0

Water Fund

The Water Fund collects fees for the operation and maintenance of the water treatment and distribution processes. The Water Fund is an enterprise fund meaning it is self-supported through the collection of water bills.



Revenue Highlights

The Water Fund's principal revenue source is the collection of the monthly water bills. There are approximately 402 accounts comprised of both residential and commercial users. The Fund is also supplemented by customer fees such as late fees, door hanging fees, and new account fees. An updated rate study was completed by Donovan Enterprises Incorporated indicated that a 6% increase in the water rates this year is needed to keep pace with the costs and repairs associated with providing the water service. Then, in the following four years, a 3% increase is needed. These increases are in lieu of an annual inflation rate adjustment. Note: The revenue line *New Installations* is offset by the expense line *Installations* because developers pay for the water parts and labor for new construction. This inflates the Fund by \$75,000, which is up this year because of anticipated growth.

Future Reserve Fee Schedule

In 2014 the Budget Committee voted to collect an extra \$3 a month to save money for future maintenance projects to the water system. The Donovan Rate Study recommended keeping the future reserve fee. The total is preserved in the *Reserved for Future Expenditures* (07-1-811) line. This is zeroed out this year, in anticipation of using it for Well #3.

FY	Future Reserve Fee
'21-22	\$14,400 <i>Proposed</i>
'20-21	\$14,100 <i>Anticipated</i>
'19-20	\$14,056 <i>Actual</i>
'18-19	\$14,206 <i>Actual</i>
'17-18	\$14,507 <i>Actual</i>
'16-17	\$14,147 <i>Actual</i>
'15-16	\$13,981 <i>Actual</i>
'14-15	\$5,612 <i>Actual</i>

Expense Highlights

Although, moving forward with Well #3 is a priority of the City Council, the Water Fund is short coming up with the full \$375,000 for the current customer's share; the other half will come from developers. Infrastructure costs can be funded with the American Rescue Plan Act but it will be up to the City Council to decide if they want to use ARPA money for the well. The Water Fund can contribute \$221,617, short \$153,383. This year the Blake Court Water Main Line Project will occur. The City also has to pay for an insurance deductible for an employment claim from years 2020-2021. In addition, the Water Fund will chip in toward the security camera and system update, tools and postage paid envelopes for utility billing. Testing the drinking water for volatile organic compounds (VOC), synthetic organic compounds (SOC), lead and copper is a required test that will happen this year.

Line #	Name of Line	Activity	Cost
07-1-705	Materials & Supplies	Tools	\$600
07-1-706	Postage	Postage Paid Envelopes for Bills	\$1,636
07-1-708	Legal	Employment Claim Deductible	\$2,210
07-1-710	Outside Services	Security Cameras & System	\$2,000
07-1-730	Water Testing	Testing of VOC/SOC/Lead/Copper	\$3,000
07-1-805	Capital/Improvements	Blake Court Water Line Replacement Project	\$40,000
07-1-805	Capital/Improvements	Well #3 Project	\$375,000

City of Donald

Fiscal Year 2022

WATER FUND

		Historical Data			Budget for Next Year		
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources							
07-0-500	Beginning Fund Balance	467,545	485,898	486,504	421,214		
Revenues							
07-0-520	Water Revenue	250,632	253,368	253,300	267,800		
07-0-521	Hook-Up Fees	879	975	600	1,100		
07-0-523	Future Reserve Fees	14,206	14,056	14,100	14,400		
07-0-550	New Installations	2,637	11,760	40,000	75,000		
07-0-551	Late Fees, Red Tags, Shut Offs	3,982	3,280	950	2,300		
07-0-553	Sale of Recyclable Materials	110	504	100	100		
07-0-590	Miscellaneous	970	1,809	100	100		
07-0-591	Interest Income	11,682	10,253	6,450	1,840		
07-0-598	Transfer In	5,000	5,000	5,000	500		
Total Revenues		290,098	301,005	320,600	363,140	0	0
Total Resources		757,643	786,903	807,104	784,354	0	0
Requirements for Water							
Personnel Services							
07-1-605	Maintenance Wages	48,823	55,374	64,640	70,712		
07-1-610	Administrative Salaries	57,454	61,098	65,300	69,280		
07-1-615	Payroll Taxes/Benefits	62,133	70,952	93,070	100,905		
Total Personnel Services		168,410	187,424	223,010	240,897	0	0
Total Full-Time Equivalent (FTE)					2.30		
Materials & Services							
07-1-701	Advertising	587	965	700	1,000		
07-1-705	Materials & Supplies	5,610	7,524	9,000	12,000		
07-1-706	Postage	1,510	1,578	1,655	1,670		
07-1-707	Vehicle Operation & Maint.	1,455	2,721	2,000	2,000		
07-1-708	Legal	2,431	1,357	2,800	10,000		
07-1-709	Accounting	3,200	3,941	4,350	4,350		
07-1-710	Outside Services	8,138	7,800	19,200	20,600		
07-1-712	Dues & Subscriptions	583	859	1,200	900		
07-1-713	Travel, Meetings, Education	367	339	1,200	2,000		
07-1-716	Uniforms	300	428	480	480		
07-1-720	Chemicals	1,175	1,011	3,000	1,500		
07-1-725	Engineering	935	15,674	24,000	50,000		
07-1-728	Backflow Testing	8,793	8,579	9,500	14,000		
07-1-730	Water Testing	1,240	1,278	3,000	3,700		
07-1-751	Permits & Fees	64	768	2,000	2,000		
07-1-752	Installations	3,416	33	40,000	75,000		
07-1-753	Insurance & Bonds	4,964	6,250	6,895	7,990		
07-1-755	Repair & Maintenance	29,220	14,592	12,000	12,000		
07-1-757	Utilities	16,735	15,847	19,000	22,800		
07-1-760	Refunds & Misc.	316	0	3,000	100		
Total Materials & Services		91,039	91,544	164,980	244,090	0	0
Capital Outlay							
07-1-805	Improvements	0	0	275,000	261,617		
07-1-806	Equipment	2,797	N/A	N/A	0		
Total Capital Outlay		2,797	0	275,000	261,617	0	0
Total Allocated Requirements		262,246	278,968	662,990	746,604	0	0

WATER FUND - Continued

		Historical Data			Budget for Next Year		
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Requirements Not Allocated							
Interfund Transfers							
07-1-785	Transfers to General Fund	9,500	9,747	10,000	10,150		
Total Interfund Transfers		9,500	9,747	10,000	10,150	0	0
07-1-900	Operating Contingency			70,000	15,000		
07-1-811	Reserved Future Expenditures			0	0		
07-1-950	Unappropriated Ending Balance			64,114	12,600		
Total Requirements Not Allocated		9,500	9,747	144,114	37,750	0	0
Ending Balance (prior years)		485,897	498,188				
Total Requirements		757,643	786,903	807,104	784,354	0	0

Sewer Fund

The Sewer Fund collects fees for the operation and maintenance of the sewer collection and treatment processes. The Sewer Fund is an enterprise fund meaning it is self-supported through the collection of sewer bills.



Revenue Highlights

The Sewer Fund's principal revenue source is the collection of monthly sewer bills. There are approximately 401 sewer accounts comprised of both residential and commercial users. The Fund is also supplemented by late fees, door hanging fees, and a fee for setting up new accounts. Revenue also comes from two land leases and a contract to provide the Fargo District with raw sewer treatment services. An updated five-year rate study by Donovan Enterprises Incorporated was adopted May 11, 2021. It indicated that there is no need to increase rate this year, but for the following four years, a 3% increase is needed to keep up with inflation. These increases are in lieu of an annual inflation rate adjustment. Note: The revenue line *New Installations* is offset by the expense line *Installations* because developers pay for the septic tank, parts and labor for new buildings. This inflates the Fund by \$155,000.

Future Reserve Fee Schedule

In 2014, the Budget Committee voted to collect a Future Reserve Fee, it was originally \$2 a month and in 2021, was increased to \$3 a month. It is collected as a savings plan for the sewer system. The Donovan rate study recommended keeping the future reserve fee at \$3. The total is preserved in the *Reserved for Future Expenditures* (08-1-811) line of the Fund.

FY	Future Reserve Fee
'21-22	\$14,400 <i>Proposed</i>
'20-21	\$12,800 <i>Anticipated</i>
'19-20	\$13,050 <i>Actual</i>
'18-19	\$11,630 <i>Actual</i>
'17-18	\$10,441 <i>Actual</i>
'16-17	\$9,360 <i>Actual</i>
'15-16	\$9,301 <i>Actual</i>
'14-15	\$3,735 <i>Actual</i>
Total	\$84,348

Expense Highlights

Septic tanks are pumped annually; this year is Zone 5 of 5. The Sewer Fund is splitting the cost for paying the deductible for an employment claim, tools, postage paid envelopes, and security upgrades. Two big permits are required for update this year: the water pollution control facility permit and the recycled water use plan revision. The Sewer SDC will pay for half of the Recycled Water Use Plan Revision. Large projects include installing an air relief valve which involves excavation and the valve. Also, a transfer line will be installed between the Fargo Lagoon and City Lagoon.

Line #	Name of Line	Activity	Cost
08-1-705	Materials & Supplies	Tools	\$600
08-1-706	Postage	Postage Paid Envelopes for Bills	\$1,636
08-1-708	Legal	Employment Claim Deductible	\$2,210
08-1-710	Outside Services	Security Cameras & System	\$2,000
08-1-714	Septic Tank Pumping	Septic Tank Pumping Zone 5 – 65x	\$30,000
08-1-725	Engineering	Recycled Water Use Plan Revision	\$5,000
08-1-751	Permits & Fees	Water Pollution Control Facility Permit	\$10,000
08-1-755	Repair & Maint.	1 Air Relief Valve: Oak St/Butteville Rd	\$4,800
08-1-805	Capital Out. Improv.	Fargo Transfer Line Installation Project	\$10,000

City of Donald

Fiscal Year 2022

SEWER FUND

		Historical Data			Budget for Next Year		
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources							
08-0-500	Beginning Fund Balance	561,770	667,105	711,848	698,857		
Revenues							
08-0-520	Sewer Revenue	292,540	284,507	254,800	305,600		
08-0-521	Hook-Up Fees	879	825	600	1,100		
08-0-523	Future Reserve Fees	11,630	12,681	12,800	14,400		
08-0-530	Lease of Land	26,541	24,350	22,850	22,850		
08-0-550	New Installations	4,717	16,175	50,000	155,000		
08-0-551	Late Fees, Red Tags, Shut Offs	3,982	3,281	950	2,300		
08-0-553	Sale of Recyclable Materials	110	504	100	100		
08-0-590	Miscellaneous	205	3,480	100	100		
08-0-591	Interest Income	14,038	14,076	9,470	3,050		
08-0-598	Transfer In	5,000	5,000	5,000	500		
Total Revenues		359,642	364,879	356,670	505,000	0	0
Total Resources		921,412	1,031,984	1,068,518	1,203,857	0	0
Requirements for Sewer							
Personnel Services							
08-1-605	Maintenance Wages	48,823	55,375	64,640	70,712		
08-1-610	Administrative Salaries	57,455	61,098	65,300	69,280		
08-1-615	Payroll Taxes/Benefits	62,133	70,952	93,070	100,905		
Total Personnel Services		168,411	187,425	223,010	240,897	0	0
Total Full-Time Equivalent (FTE)					2.30		
Materials & Services							
08-1-701	Advertising	318	628	400	500		
08-1-705	Materials & Supplies	8,292	8,766	12,000	17,500		
08-1-706	Postage	1,520	1,581	1,655	1,670		
08-1-707	Vehicle Operation & Maint.	1,455	2,721	2,000	2,500		
08-1-708	Legal	5,071	1,269	20,000	17,210		
08-1-709	Accounting	3,200	3,941	4,350	4,350		
08-1-710	Outside Services	5,806	5,185	16,200	17,500		
08-1-712	Dues & Subscriptions	227	246	600	600		
08-1-713	Travel, Meetings, Education	82	219	2,000	2,000		
08-1-714	Septic Tank Pumping	21,090	19,885	30,000	30,000		
08-1-715	Sewer Lab Testing	738	4,975	5,000	3,500		
08-1-716	Uniforms	300	428	480	480		
08-1-720	Chemicals	2,820	3,343	8,000	6,800		
08-1-725	Engineering	1,826	20,133	34,000	50,000		
08-1-751	Permits & Fees	1,520	1,546	1,700	12,000		
08-1-752	Installations	1,876	13,109	50,000	155,000		
08-1-753	Insurance & Bonds	4,992	6,250	6,895	7,990		
08-1-755	Repair & Maintenance	6,063	6,754	17,500	17,500		
08-1-757	Utilities	6,404	7,263	11,800	13,500		
08-1-760	Refunds & Misc.	0	0	5,000	100		
Total Materials & Services		73,600	108,242	229,580	360,700	0	0
Capital Outlay							
08-1-805	Improvements	0	0	65,000	10,000		
08-1-806	Equipment	2,797	0	0	0		
Total Capital Outlay		2,797	0	65,000	10,000	0	0
Total Allocated Requirements		244,808	295,667	517,590	611,597	0	0

SEWER FUND - Continued

		Historical Data			Budget for Next Year		
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Requirements Not Allocated							
Interfund Transfers							
08-1-785	Transfers to General Fund	9,500	9,747	10,000	10,150		
Total Transfers		9,500	9,747	10,000	10,150	0	0
08-1-900	Operating Contingency			150,000	200,000		
08-1-811	Reserved Future Expenditures			70,317	84,348		
08-1-950	Unappropriated Ending Balance			320,611	297,762		
Total Requirements Not Allocated		9,500	9,747	550,928	592,260	0	0
Ending Balance (prior years)		667,104	726,570				
Total Requirements		921,412	1,031,984	1,068,518	1,203,857	0	0

System Development Funds

Oregon Revised Statue 223.307 is the main law regarding the collection and expenditure of these funds. On May 10, 2016 the City Council approved Resolution No. 403-16, which approved three new system development funds and updated the water and sewer SDCs.

SDCs are collected when new developments are added to the City and these funds are collected to pay for the additional needed capacity of the City's infrastructure systems to accommodate the new growth. Money is expended according to each SDC's capital improvement plan. Annually, the City Council considers adjusting the amounts of the SDCs based on the *Engineering News of Record Construction Cost Index*. This year the increase was 2%; this change was adopted at the April 21, 2021 City Council meeting by Resolution No. 521-21.

Revenue Highlights

Grants: The City was awarded the top grant from Governor Kate Brown's new pilot project for Workforce Housing Initiative Grant. There is a \$195,000 grant from Oregon Housing and Community Services Department to be used for engineering, design or construction costs. The grant is setup to allow for the money to be used for either (or both) water and sewer needs; this is reflected in the System Development Charge Funds for Water and Sewer.

Expense Highlights

The Workforce Housing Initiative Grant money will be spent during this budget cycle.

Sewer SDC: \$5,000 for the Recycle Water Use Plan Revision is a part of the new irrigation land application process. The Sewer Fund/current customers will find the other half at \$5,000.

Transfers: Each SDC fund is allowed to transfer 5% to the City's General Fund to offset the costs associated with accounting and administration.



City of Donald

Fiscal Year 2022

SYSTEM DEVELOPMENT FUND - WATER

	Historical Data			Budget for Next Year		
	Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources						
09-0-500 Beginning Fund Balance	12,831	12,852	23,232	16,197		
Revenues						
09-0-510 Grants	17,000	3,000	525,000	195,000		
09-0-560 Improvement Fees	1,469	5,562	1,537	1,537		
09-0-570 Reimbursement Fees	2,355	8,918	2,465	2,465		
09-0-580 • Administration Fees	N/A	N/A	N/A	200		
09-0-591 Interest Income	323	270	300	70		
Total Revenues	21,147	17,750	529,302	199,272	0	0
Total Resources	33,978	30,602	552,534	215,469	0	0
Requirements						
Materials & Services						
09-1-710 Outside Services	21,126	3,233	205,000	195,000		
Total Materials & Services	21,126	3,233	205,000	195,000	0	0
Capital Outlay						
09-1-805 Improvements	0	0	330,000	0		
Total Capital Outlay	0	0	330,000	0	0	0
Total Allocated Requirements	21,126	3,233	535,000	195,000	0	0
Requirements Not Allocated						
Interfund Transfers						
09-1-780 Transfers to General Fund	0	76	210	80		
Total Interfund Transfers	0	76	210	80	0	0
09-1-900 Operating Contingency			10,000	15,000		
09-1-901 Reserved Future Expenditures			7,324	5,389		
Total Requirements Not Allocated	0	76	17,534	20,469	0	0
Ending Balance (prior years)	12,852	27,293				
Total Requirements	33,978	30,602	552,534	215,469	0	0

Key: N/A Line is not applicable for year

• New Line

City of Donald

Fiscal Year 2022

SYSTEM DEVELOPMENT FUND - SEWER

	Historical Data			Budget for Next Year		
	Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources						
10-0-500 Beginning Fund Balance	257,388	267,707	283,780	275,609		
Revenues						
10-0-510 Grants	17,000	3,000	525,000	195,000		
10-0-560 Improvement Fees	1,719	6,504	1,798	1,798		
10-0-570 Reimbursement Fees	2,166	8,204	2,267	2,267		
10-0-580 • Administration Fees	N/A	N/A	N/A	203		
10-0-591 Interest	6,434	5,648	3,780	1,200		
Total Revenue	27,319	23,356	532,845	200,468	0	0
Total Resources	284,707	291,063	816,625	476,077	0	0
Requirements						
Materials & Services						
10-1-710 Outside Services	17,000	3,233	205,000	200,000		
Total Materials & Services	17,000	3,233	205,000	200,000	0	0
Capital Outlay						
10-1-805 Improvements	0	0	530,000	0		
Total Capital Outlay	0	0	530,000	0	0	0
Total Allocated Requirements	17,000	3,233	735,000	200,000	0	0
Requirements Not Allocated						
Interfund Transfers						
10-1-780 Transfers to General Fund	0	78	213	81		
Total Interfund Transfers	0	78	213	81	0	0
10-1-900 Operating Contingency			60,000	75,000		
10-1-901 Reserved Future Expenditures			21,412	200,996		
Total Requirements Not Allocated	0	78	81,625	276,077	0	0
Ending Balance (prior years)	267,707	287,752				
Total Requirements	284,707	291,063	816,625	476,077	0	0

Key: N/A Line is not applicable for year

• New Line

City of Donald

Fiscal Year 2022

SYSTEM DEVELOPMENT FUND - PARK

	Historical Data		Budget for Next Year			
	Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources						
11-0-500 Beginning Fund Balance	493	998	1,746	1,335		
Revenues						
11-0-560 Improvement Fees	503	1,562	526	526		
11-0-580 • Administration Fees	N/A	N/A	N/A	26		
11-0-591 Interest	13	21	24	5		
Total Revenues	516	1,583	550	557	0	0
Total Resources	1,009	2,581	2,296	1,892	0	0
Requirements						
Materials & Services						
11-1-710 Outside Services	N/A	233	1,000	0		
Total Materials & Services	0	233	1,000	0	0	0
Total Allocated Requirements	0	233	1,000	0	0	0
Requirements Not Allocated						
Interfund Transfers						
11-1-780 Transfers to General Fund	10	10	21	11		
Total Interfund Transfers	10	10	21	11	0	0
11-1-900 Operating Contingency			500	0		
11-1-901 Reserved Future Expenditures			775	1,881		
Total Requirements Not Allocated	10	10	1,296	1,892	0	0
Ending Balance (prior years)	999	2,338				
Total Requirements	1,009	2,581	2,296	1,892	0	0

Key: N/A Line is not applicable for year

• New Line

City of Donald

Fiscal Year 2022

SYSTEM DEVELOPMENT FUND - STORMWATER

		Historical Data		Budget for Next Year		
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022 Adopted 2022
Resources						
12-0-500	Beginning Fund Balance	18,035	18,667	22,751	20,118	
Revenues						
12-0-560	Improvement Fees	159	3,567	167	166	
12-0-570	Reimbursement Fees	27	612	28	29	
12-0-580	• Administration Fees	N/A	N/A	N/A	10	
12-0-591	Interest	450	395	300	85	
Total Revenues		636	4,574	495	290	0
Total Resources		18,671	23,241	23,246	20,408	0
Requirements						
Materials & Services						
12-1-710	Outside Services	N/A	233	3,000	0	
Total Materials & Services		0	233	3,000	0	0
Total Allocated Requirements		0	233	3,000	0	0
Requirements Not Allocated						
Interfund Transfers						
12-1-780	Transfers to General Fund	4	4	80	4	
Total Interfund Transfers		4	4	80	4	0
12-1-900	Operating Contingency			1,500	0	
12-1-901	Reserved Future Expenditures			18,666	20,404	
Total Requirements Not Allocated		4	4	20,246	20,408	0
Ending Balance (prior years)		18,667	23,004			
Total Requirements		18,671	23,241	23,246	20,408	0

Key: N/A Line is not applicable for year

• New Line

City of Donald

Fiscal Year 2022

SYSTEM DEVELOPMENT FUND - TRANSPORTATION

		Historical Data		Budget for Next Year			
		Actual 2019	Actual 2020	Budget 2021	Proposed 2022	Approved 2022	Adopted 2022
Resources							
13-0-500	Beginning Fund Balance	12,748	13,635	16,645	14,394		
Revenues							
13-0-560	Improvement Fees	486	3,042	505	505		
13-0-570	Reimbursement Fees	95	582	95	95		
13-0-580	• Administration Fees	N/A	N/A	N/A	28		
13-0-591	Interest	318	290	220	60		
Total Revenues		899	3,914	820	688	0	0
Total Resources		13,647	17,549	17,465	15,082	0	0
Requirements							
Materials & Services							
13-1-710	Outside Services	N/A	233	3,000	0		
Total Materials & Services		0	233	3,000	0	0	0
Total Allocated Requirements		0	233	3,000	0	0	0
Requirements Not Allocated							
Interfund Transfers							
13-1-780	Transfers to General Fund	12	12	61	12		
Total Interfund Transfers		12	12	61	12	0	0
13-1-900	Operating Contingency			1,500	0		
13-1-901	Reserved Future Expenditures			12,904	15,070		
Total Requirements Not Allocated		12	12	14,465	15,082	0	0
Ending Balance (prior years)		13,635	17,304				
Total Requirements		13,647	17,549	17,465	15,082	0	0
Key: N/A Line is not applicable for year							
• New Line							

City of Donald

Fiscal Year 2022

TRANSFER SCHEDULES

	In	Out	Purpose
General Fund		1,000.00	Payment of capital loan interest for purchase of City Hall
General Fund	20,300.00		City Hall overhead
Water Fund	500.00		Payment of capital loan interest for purchase of City Hall
Water Fund		10,150.00	*City Hall overhead
Sewer Fund	500.00		Payment of capital loan interest for purchase of City Hall
Sewer Fund		10,150.00	*City Hall overhead
Total	\$ 21,300.00	\$ 21,300.00	

*CPI-U of 1.5%

2% for administration	In	Out
General Fund	188.00	
Water SDC		80.00
Sewer SDC		81.00
Park SDC		11.00
Storm Water SDC		4.00
Transportation SDC		12.00
Total	\$ 188.00	\$ 188.00

Based on SDC payments received by 5/15/2021