

# FISCAL YEAR 2024 - 2025



## PROPOSED ANNUAL BUDGET



City of Molalla, Oregon & Molalla Urban Renewal

## READER'S GUIDE TO BUDGET DOCUMENT

This document provides citizens with a comprehensive overview of the City of Molalla's budget, the budget process, City services and operations, and the resources that fund them. This document first outlines the process, policies, goals, and issues involved in developing the budget. It then discusses the financial structure of the City with an overview of the City's various funds, including where the money comes from and how it is spent. Details about the budget, forecasted revenue and appropriated expenditures follow, along with an in-depth look at the City's departments and programs. You will see many connecting links to documents and services within the document this year. Look for the **Go,HERE!** This document is divided into the following sections:

### Introduction

The purpose of this section is to provide the reader with general information about the City's history, demographics, and economy. The City's vision, mission, goals and strategic initiatives, organizational structure, and a message from the City Manager are also included.

### Budget Overview

Information in this section gives the reader an understanding about the services the City provides to our citizens and the costs incurred in the provision of those services. It includes the sources of funding, including long-term debt financing that support the City's operations and capital needs. This section also contains summaries of the budget process, the budget, a fund structure matrix, a description of major fund types and a discussion of revenue and expenditures and how they are forecasted.

### Long-Range Plan & Capital Budget

The section presents a Five-year Road map for the operations and finances of the City.

This section provides detail on the Capital Budget and the 5-Year Capital Improvement Plan (CIP) that was adopted by resolution.

### Revenue Manual

This manual provides information on the City's major revenues that are received primarily from outside sources.

### Budget Detail

This section includes summaries of the overall budget by fund, sources of revenue, types of expenditures and costs by department, along with the authorized staffing levels by department or division. For comparison, three years of historical results and the prior year amended budget and projections are presented alongside the budget. There is also a fund balance summary for each fund. Following each fund summary is information at the department and division levels, including explanations of significant budget variances, prior year accomplishments, goals for the current year, authorized positions and significant changes within the department or division.

Appendix This section contains a copy of the signed budget ordinance, demographic information, and a glossary.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Molalla  
Oregon**

For the Fiscal Year Beginning

**7/1/2023**

*Christopher P. Morill*

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Molalla, Oregon**, for its Annual Budget for the fiscal year beginning **July 01, 2023**. We received our **5th** award on 8/28/2023. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.



**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

**CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION**

*to*

**Finance Department  
City of Molalla, Oregon**



*The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards*

Executive Director

*Christopher P. Morill*

Date: **August 28, 2023**

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **City of Molalla, Oregon**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Finance Department**.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

## Section 1 – Introduction and Overview

- ✓ Table of Contents
- ✓ Strategic Goals & Strategies
- ✓ Priorities and Issues facing the City of Molalla
- ✓ Complete Budget Overview
- ✓ Personnel & Position Schedules



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**Administration – City Manager’s Office**  
117 N Molalla Avenue | PO Box 248 | Molalla, Oregon 97038  
Phone: (503) 829-6855 Ext. 291 | Fax: (503) 829-3676

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May 7, 2024

Honorable Mayor Scott Keyser  
City Councilors  
Budget Committee Members  
Citizens of the City of Molalla

**RE: 2024-2025 Budget Transmittal Message**

I am pleased to present the City of Molalla proposed Budget for Fiscal Year (FY) 2024-2025. The proposed \$79,886,584 million budget (including contingencies and reserves) maintains our critical services and programs and is consistent with our Financial Policies, 5-year forecast and Council Goals. The General Fund portion of the proposed Budget is \$10,619,145 million. As required by State Budget Law, the proposed Budget is balanced.

Molalla’s overall Budget continues to grow and expand positively. Large projects that inflate our Budget are the new Police Facility and Wastewater Treatment Plant. The Police Facility is under final design and we should break ground this summer. Construction of this project is mainly funded by the \$16 million GO Bond approved by Molalla voters last November. The other large project is the reconstruction of the Wastewater Treatment Plant that hopefully will be under way this fall. The Wastewater Treatment Plant is a \$52 million project. These projects are large projects for a community of our size, but necessary.

Every city in Oregon is faced with a continuous stream of regulatory change handed down from the State Legislature. These changes affect all areas of our service levels from law enforcement, parks, land use planning, water and sanitary sewer services. Rules and mandates consume staff time and cost the City scarce resources. However, at a staff level we must figure out the most cost-effective way to focus on service provision, Council Goals and accomplishing more for this community.

Budget Overview

Molalla has continued to grow at a consistent level for a number of years. The City is able to manage this growth rate and keep up on demand in all areas that are appropriately funded. The City takes a conservative approach to all financial issues, and this has allowed us to be in a position to address current needs and capital projects identified within our master plans and Council goals. We are meeting current levels of service, demand growth, and improving in areas where we can make gains in conjunction with steady population growth.



### 3-Year Molalla Population Growth

| <u>Year</u> | <u>Population</u> |
|-------------|-------------------|
| 2023        | 10,335            |
| 2022        | 10,279            |
| 2021        | 10,212            |

We are seeing an increase in non-residential activity including industrial investments and continued commercial investments. The current market has slowed some activity but there are continued development efforts in Molalla that are positively impacting this community. Increasing Economic Development is a Goal of the City Council and Staff has connected with SEDCOR (Strategic Economic Development Corporation) to enhance Molalla’s economic landscape to hopefully increase our local employment opportunities.

Residential opportunities are slowing mainly due to a lack of residential inventory. Molalla has consumed most of its buildable residential land and expansion is the opportunity to meet housing demands. The Community Development Department continues to work diligently on Urban Growth Boundary expansion processes to combat this issue.

Molalla has seen recent investments in our transportation system throughout portions of the city and we expect that to continue at a slow pace. We do need to recognize that without additional funding mechanisms for street and road maintenance our transportation infrastructure may decline.

The 2020 Vision and Action Plan uses words such as *resilience*, *welcoming*, *economically sound* as descriptors of who and what Molalla hopes to maintain and become. This Visioning Plan continues to guide our progress and keeps the word *livability* in the forefront of our work. Livability can take on a different meaning for different individuals, depending on their opinion of Molalla being a place worth residing in or opening a business.

As I stated earlier, many projects and opportunities take multiple years to bring to fruition. For example, the groundwork for a new Police Facility began ten plus years ago when the City began putting money away for the future. The Bond the community passed last November brings this project to a reality.

This Budget is tasked with identifying projects and programs that can be included within the Fiscal Year. Council’s Goals for the next Fiscal Year include the following items that have been separated into budget dependent items and concept or emphasis items:

#### Budget Dependent

1. Update Parks Master Plan
2. Update Molalla Area Vision & Action Plan
3. Traffic Unit
4. New Library Facility
5. Industrial Business Park

6. Identify Target Industries
7. Establish Truck Route
8. Citizen Academy
9. Update Emergency Management Plan
10. Incorporate Art with the new Police Facility

### Concept and Emphasis

1. Promote Diversity and Inclusion Opportunities
2. Park Naming Policy
3. CONNECT
4. Promote Volunteer Opportunities
5. Encourage MOLALLA CURRENT & Text-Alert Use
6. Finalize Mural Code
7. Civic Education:
  - Emergency Preparedness
  - Budget 101
  - Youth Engagement
  - City Responsibilities

Each one of these items are important and sustained progress is attributable to our capable Staff and supportive City Council. However, there are five larger projects that we will focus on as part of this proposed Budget:

1. **New Police Facility Progression** – We lost a few months of progress due to the delayed final count on the November ballot and the final funding on the Bond was not complete until mid-March. However, as of the date of this memo we have reached final design and we are preparing to submit building permits. Groundbreaking should begin this July.
2. **Chief Yelkus Park** – Phase I construction is expected to begin in July of this summer.
3. **Economic and Community Development** – We should begin to see the benefits of our new partnership with SEDCOR throughout the next Fiscal Year.
4. **Continued Progress on the Wastewater Treatment Plant Reconstruction** – Design is complete, and project will be out to bid in the fall of 2024. Staff continues to work furiously on additional funding sources for this project.
5. **Library Expansion Preparation** – Based on Council direction, Staff will work towards options and process layout for Library expansion and/or a new location.

### **Staffing**

We are proposing one FTE in Administration within the 2024-2025 Fiscal Year. There is a current and increasing need for assistance within the City Records office and our record keeping process and program. The proposal is to add one FTE in City Hall as a Records Specialist. If this position is approved within the 2024-2025 Annual Budget, the plan will be to begin the hiring process after the new Fiscal Year begins.

## **Property Tax-General Fund Overview**

Property Tax estimated revenues total \$4,052,687 which is an estimated 3.6% increase amounting to \$141,859 in additional General Fund revenue. Total General Fund Resources are proposed at \$10,619,145. Personnel Services are up 1.2% and Material and Services are up 1.07%. The General Fund includes Administration, Police Department, Parks, Municipal Court, Planning and City Council.

## **Total Budget**

The 2024-2025 overall Budget is proposed at \$79,886,584. Combined with Urban Renewal, the total for All Funds is \$84,250,459. As we secure financing for the WWTP upgrade we anticipate half of the \$52 million to be expended in 2024-2025, and the remainder in 2025-2026.

## **2024-2025 Budget - Project Highlights**

**Police Department** – For the first time in a few years we are not proposing to hire additional police officers or police personnel.

**Community Development** – This Department consists of multiple disciplines and controls the largest portion of the overall Budget.

**Planning** – Our Planning Department will be focusing on Economic Development, Emergency Operations Plan completion, Parks Master Plan completion, and the potential expansion of the urban growth boundary.

**Public Works** – Our largest project is reconstruction of the Wastewater Treatment Plant. We expect the project to re-bid in the Fall of 2024 with completion in 2026-2027. Continued work on Main Street/Highway 211 will be an on-going process as we partner with private developers to provide much needed upgrades to this heavily used roadway. Public Works is also working toward numerous smaller to medium sized projects within the Budget. One of the more ambitious projects in the previous Budget was the On-Call Paving service. The community has seen visible improvements throughout the City in 2023-2024 and will continue to witness gradual improvements in 2024-2025.

**Library** – The Molalla Library is the oldest public Library in Clackamas County and has prided itself on consistently providing excellent service to the Molalla Community. This year we will be focusing on a plan to relocate or expand the Library on-site.

**Administration/Finance** – Administration is requesting the addition of one FTE.

**Parks** – Our Park system is burdened by a lack of funding. However, we have an excellent group of Community Program Committee Members who are pursuing funding to improve and enhance our park system. The new Pickleball courts at Long Park encompassed two Budget years and were finished last year. In 2024-2025 we will be focusing on Phase I of Chief Yelkus Park and finalizing plans for Clark Park through the Parks Master Plan update.

| <b>Budget Brief FY 24/25</b>       | <b>2022-23<br/>ACTUAL</b> | <b>2023-24<br/>BUDGET</b> | <b>2024-25<br/>PROPOSED</b> | <b>Variance</b>    | <b>%<br/>change</b> |
|------------------------------------|---------------------------|---------------------------|-----------------------------|--------------------|---------------------|
| <b>General Fund</b>                |                           |                           |                             |                    |                     |
| Admin                              | 2,818,052                 | 3,736,728                 | 3,817,377                   | 80,649             | 2%                  |
| Police                             | 4,253,059                 | 3,819,170                 | 4,668,026                   | 848,856            | 22%                 |
| Court                              | 228,777                   | 232,985                   | 294,535                     | 61,550             | 26%                 |
| City Council                       | 39,729                    | 69,810                    | 68,540                      | -1,270             | -2%                 |
| Parks                              | 156,368                   | 608,366                   | 1,371,764                   | 763,398            | 125%                |
| Planning                           | 282,094                   | 324,719                   | 398,903                     | 74,184             | 23%                 |
| <b>Total General Fund</b>          | <b>7,778,079</b>          | <b>8,791,778</b>          | <b>10,619,145</b>           | <b>1,827,367</b>   | <b>21%</b>          |
| <b>Special Revenue Funds</b>       |                           |                           |                             |                    |                     |
| Library                            | 1,030,317                 | 4,330,428                 | 4,623,532                   | 293,104            | 7%                  |
| Street                             | 985,100                   | 4,532,781                 | 5,186,088                   | 653,307            | 14%                 |
| PD Restricted                      | 51,500                    | 57,466                    | 79,406                      | 21,940             | 38%                 |
| <b>Total Special Revenue Funds</b> | <b>2,066,917</b>          | <b>8,920,675</b>          | <b>9,889,026</b>            | <b>968,351</b>     | <b>11%</b>          |
| <b>Capital Project Funds</b>       |                           |                           |                             |                    |                     |
| Capital Projects                   | 14,453,454                | 25,544,741                | 0                           | -25,544,741        | -100%               |
| WWTP Project                       | 0                         | 0                         | 21,226,521                  | 21,226,521         | 0%                  |
| New Police Facility                | 0                         | 0                         | 16,960,230                  | 16,960,230         | 0%                  |
| Fleet Replacement                  | 211,896                   | 659,261                   | 621,566                     | -37,695            | -6%                 |
| <b>Total Capital Project Funds</b> | <b>14,665,350</b>         | <b>26,204,002</b>         | <b>38,808,317</b>           | <b>12,604,315</b>  | <b>48%</b>          |
| <b>Debt Service Funds</b>          |                           |                           |                             |                    |                     |
| Sewer Debt Retirement              | 380,618                   | 658,320                   | 745,008                     | 86,688             | 13%                 |
| CWSRF Debt Retirement              | 42,000                    | 0                         | 0                           | 0                  | 0%                  |
| GO BOND DEBT FUND                  | 0                         | 0                         | 739,445                     | 739,445            | 0%                  |
| <b>Total Debt Service Funds</b>    | <b>422,618</b>            | <b>658,320</b>            | <b>1,484,453</b>            | <b>826,133</b>     | <b>125%</b>         |
| <b>SDC Funds</b>                   |                           |                           |                             |                    |                     |
| Sewer SDC's                        | 0                         | 1,298,482                 | 1,679,926                   | 381,444            | 29%                 |
| Water SDC's                        | 320,000                   | 339,374                   | 465,596                     | 126,222            | 37%                 |
| Street SDC's                       | 117,000                   | 2,277,981                 | 1,814,380                   | -463,601           | -20%                |
| Park SDC's                         | 0                         | 1,557,174                 | 2,045,857                   | 488,683            | 31%                 |
| Stormwater SDC's                   | 0                         | 235,819                   | 220,510                     | -15,309            | -6%                 |
| <b>Total SDC Funds</b>             | <b>437,000</b>            | <b>5,708,830</b>          | <b>6,226,269</b>            | <b>9,773</b>       | <b>9%</b>           |
| <b>Enterprise Funds</b>            |                           |                           |                             |                    |                     |
| Sewer                              | 5,484,845                 | 27,560,240                | 6,240,145                   | -21,320,095        | -77%                |
| Water                              | 2,347,067                 | 5,341,209                 | 5,807,039                   | 465,830            | 9%                  |
| Stormwater                         | 289,725                   | 898,034                   | 812,190                     | -85,844            | -10%                |
| <b>Total Enterprise Funds</b>      | <b>8,121,636</b>          | <b>33,799,483</b>         | <b>12,859,374</b>           | <b>-20,940,109</b> | <b>-62%</b>         |
| <b>Total City of Molalla</b>       | <b>33,491,600</b>         | <b>84,083,087</b>         | <b>79,886,584</b>           | <b>-4,704,169</b>  | <b>-5%</b>          |
| <b>URBAN RENEWAL</b>               | <b>672,301</b>            | <b>3,500,789</b>          | <b>4,363,875</b>            | <b>863,086</b>     | <b>25%</b>          |
| <b>TOTAL ALL FUNDS</b>             | <b>34,163,902</b>         | <b>87,583,876</b>         | <b>84,250,459</b>           | <b>-3,333,417</b>  | <b>-4%</b>          |

## **Financial Forecast**

Longstanding Budget Committee members will recall that our long-term financial forecasts and analysis identifies future financial challenges and opportunities, and then identifies strategies to secure financial sustainability in consideration of those challenges and opportunities. Our five-year forecast has been the cornerstone of our Budget preparation process. We continue to balance the service we provide as local government and reflect on the cost burden that is borne by the community. Staff have been creative with our Street Fund, and we continue to find opportunities to improve our Parks without a revenue stream.

We provide more detailed information on our annual five-year capital improvement plans within the Budget document. There is again a focus on Master Planning and projections to plan better for future years decision making. Based on our annual Audit information from June of 2023, the City of Molalla Statement of Position is \$52,467,898 million. The Statement of Position in our annual Audit is a snapshot of the overall health of the City. Molalla is prepared for what the future may hold with respect to our projections for staffing, capital costs, infrastructure, and service provision. Based on our audits and comparisons with other entities, we believe our five-year forecast is positive. As a general comparison, the City's Statement of Position is up \$6.6 million from last year.

## **Basis of Accounting**

The Governmental Accounting Standards Board (GASB) requires governmental fund financial statements to report on a modified accrual basis. This means revenues are recorded when measurable and available, and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

The City of Molalla has traditionally used a cash basis of budgeting. This has required a significant adjustment at the end of each year to meet the GASB standard for auditing. Smaller entities frequently use the cash basis, but it has been determined that the size and complexity of Molalla's Budget justifies changing the budget basis to modified accrual.

Oregon Budget law requires a change in the basis of accounting to be adopted as part of the annual Budget. The effect on the 2024-2025 Budget is that additional revenues that are received within 60 days after June 30, and expenditures for goods and services that are unpaid as of June 30, will be recorded directly into our software against the current year Budget. This will apply to those revenues that are earned before June 30, and those expenditures that are incurred before June 30. This Budget includes those anticipated additional revenues and expenditures.

## **Conclusion**

As a City, Molalla is healthy, yet we understand that the list of unmet needs is large. However, this Budget is balanced and in compliance with Oregon Budget Law. We are in this position today because of the arduous work of a few and the City is able to address some of the needs that exist in our community. Molalla continues to move in the right direction.

Your role as the Budget Committee is to approve total allocations within each of the 18 funds. I state this each year but "not spending" can create as much damage as spending too much. The City has

experienced this exponentially with our wastewater program. It is important for the Budget Committee to consider that we have a participatory process established in our local government and the Budget process is one of your opportunities, as a resident, to weigh in and effect change. Our budget process works best when the community is active and hears about the proposed Budget.

Again, we would like to thank and compliment everyone involved with the Budget Committee and the Budget process for the 2024-25 Fiscal Year. I would especially like to thank Staff members responsible for preparation of this proposed Budget. Specifically, I would like to commend the Finance Department, who once again have raised the Budgeting bar throughout the Budget process. As always, good things happen in Molalla, and we appreciate the opportunity to be part of that process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Huff', written in a cursive style.

Dan Huff

City Manager, Budget Officer

# FORM OF GOVERNMENT

The City of Molalla maintains all authority granted to municipal corporations under Oregon State Statute, including the authority to issue debt, levy taxes on real property within its boundaries; and extend its corporate city limits by annexation. The City provides a full range of services: law enforcement; public library; street operation and maintenance; parks; treatment and distribution of municipal water; collection and treatment of wastewater; storm water collection; current and long-range planning; finance and administration; urban renewal district and enterprise zone.

Our proud City is governed by a Mayor, Council President, and five members of City Council. For more information on the City's forms of government [GO, HERE!](#) To be to hold any of these offices you must meet some criteria points:

- Registered Voter
- Residence in the City
- Cannot be employed by the City

Mayor is the presiding officer over meetings and deliberations. Responsibilities include preserving order, and enforcing rules set by the council. Mayor is a voting member and has no veto authority. Council meetings are on the 2<sup>nd</sup> and 4<sup>th</sup> Wednesday of each month. Meetings will be held at the adult center located at 315 Kennel Avenue at 7:00pm. Meetings are also held live on FB and You Tube, the public is welcomed to attend.

Tune in [Live Here!](#) for FaceBook

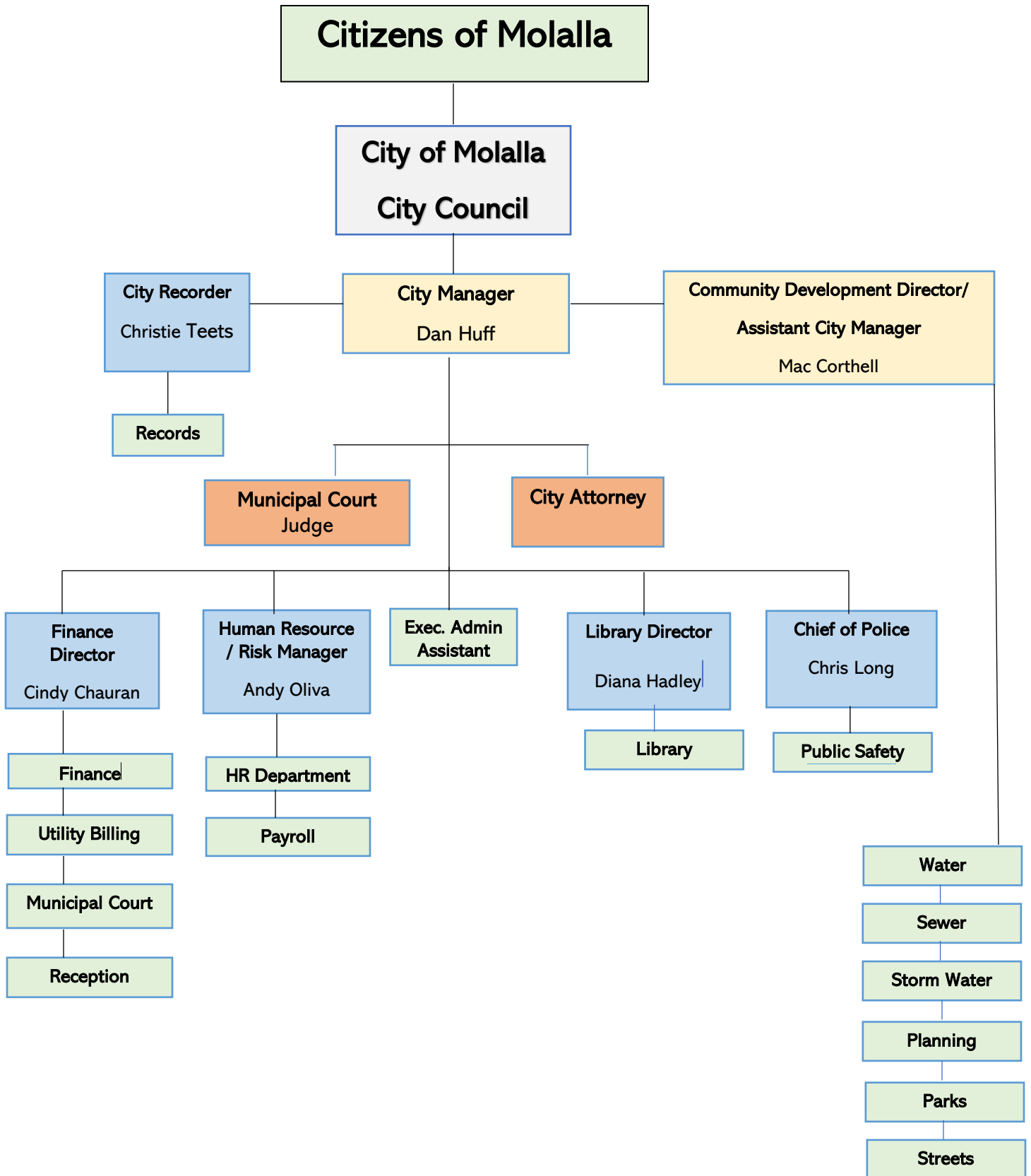
Tune in here for YouTube [Go,HERE!](#)

If you would like to read about our City Council Members or get in contact with them, please follow the link below and you will be re-directed to the City of Molalla Website.

[City Council Members 2024-2025](#)



# Organizational Chart





## Strategic Goals and Visioning Strategies

To see the complete Vision and Action Plan, go [Go,HERE!](#)

To learn more about the activities surrounding our community visioning project, go [Go,HERE!](#)

### Please Note:

Below is a summary of the Visioning Action Plan. In order to show how the City is incorporating these goals and actions, “**Focus Area #2**” was used in all budget narratives showing how that department supports that focus area.

**FOCUS AREA #1** Molalla is... a resilient community that passionately recognizes and builds on its history, culture, and location.

### Strategies

- Be deliberate about building identity.
- Embed collaborative thinking and practice in all actions.
- Identify, support, and build on local culture including arts, history, heritage, and humanities.

### Action

Develop an awareness campaign that:

- a) Celebrates the unique and interesting aspects of the area.
- b) Builds local pride of place of confidence in the Molalla community.
- c) Increases awareness about managed growth efforts.
- d) Highlights community achievements (Share the Love, Running Club Charitable Giving, service organizations efforts on behalf of those in need.

#### ➤ Potential Partners

- Chamber of Commerce, (Chamber), City of Molalla (City), media partners, nonprofits, Molalla River School District (MRSD), student groups, businesses, Kiwanis, Elks, Rotary, VFW, etc.

### Action

- a) Create a live, work and play promotion video for Molalla

#### ➤ Potential Partners

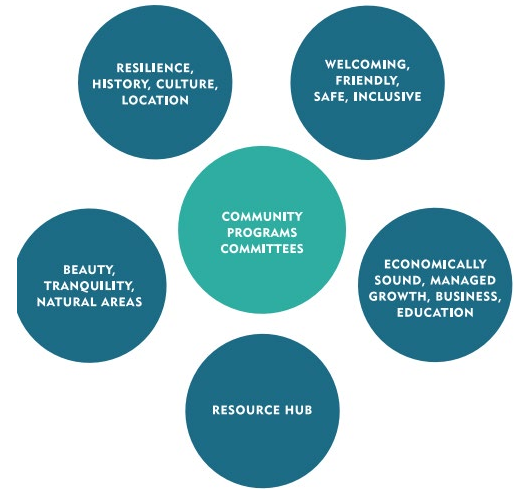
- Chamber, City of Molalla

## Action

a) Cultivate and continue to build on relationships with heritage partners

➤ **Potential Partners**

- Confederated Tribes of Grand Ronde, Molalla Area Historical Society, City of Molalla



## Action

a) Inventory local arts, heritage, historical sites, and other cultural assets, and make information available online (such as Dibble House, galleries, Apple Festival, Celebrate Molalla, farmers market, Future Farmers of America)

➤ **Potential Partners**

- Chamber, City, heritage partners, non-profits

## Action

a) Preserve significant buildings and other visible elements of local history

➤ **Potential Partners**

- Molalla Area Historical Society, business owners, City of Molalla

## Action

a) Build relationships by incentivizing collaborative work projects and be inclusive in planning and decision making

➤ **Potential Partners**

- City, Chamber, service organizations, community, MRSD, Molalla Fire District (MFD)

**FOCUS AREA #2** Molalla is... a welcoming, friendly, and vibrant community with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses and visitors.

**\*\*\*Focus area #2 is demonstrated throughout all department narratives. Go to each department narrative for the detailed example.\*\*\***

## STRATEGIES

- Develop the physical infrastructure needed to support a welcoming community.
- Foster socially welcoming activities and embrace diversity as our strength.
- Engage youth.

## **Action**

Research aesthetic design and architectural standards to create a plan which promotes development of an appealing and cohesive identity for downtown and throughout the community.

### ➤ **Potential Partners**

- City, business owners

## **Action**

Utilize the Transportation Master Plan to improve infrastructure and safety for all modes of travel (pedestrian, vehicles, bicycles, etc.) and identify new opportunities to enhance livability, i.e., Rails to Trails, bike/pedestrian paths, etc.

### ➤ **Potential Partners**

- City, Clackamas County, Oregon Department of Transportation (ODOT), City of Canby, MRSD, MFD, Southern Pacific Hillvista Investment Co.

## **Action**

Implement wastewater treatment plant improvements to ensure compliance.

### ➤ **Potential Partners**

- City, state, and federal agencies

## **Action**

Form a citizen advisory committee to provide input for development of an updated Parks/Greenspace Master Plan • Maintain and improve existing parks and recreation areas. Add new community parks or elements to existing parks, i.e., dog park, serenity park, tree park, nature park.

### ➤ **Potential Partners**

- City, service organizations, neighborhood associations, landowners

## **Action**

Map all points of entry to the city and identify landowner contacts to develop a plan to improve gateway, wayfinding, and informational signage.

### ➤ **Potential Partners**

- City, state agencies



## **Action**

Build a new police station. Develop and implement a property reuse/redevelopment/new development strategy for properties along Highway 211 and downtown. Ensure that K-12 educational facilities meet community needs. Improve downtown curb appeal: paint buildings, add vibrant colors with flowers/landscaping, artwork, banners, lighting. Improve awareness about free public parking locations in the downtown area. Create centrally located information board for community announcements and information.

### ➤ **Potential Partners**

- City, landowners, Chamber, MRSD, community

## **Action**

Develop clear, consistent, effective ways of communicating with local people, including those whose first language is not English, as well as visitors • Monthly newsletter • Community calendar • Resource directory • Facebook, Next Door Neighbor (social media) • Molalla Communications reader boards. Enhance City website to add event information and cross promote with Chamber and other entities. Develop system for collecting and updating email address list for monthly community newsletter. Promote and utilize “Just Serve” website for connecting volunteers and volunteer opportunities.

### ➤ **Potential Partners**

- Service organizations, City, Clackamas County and specifically Health, Housing, and Human Services. Police Department, MRSD, Library, City, Chamber.

**FOCUS AREA #3** Molalla is... an economically sound and growing community which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people

## **STRATEGIES**

- Develop and sustain an environment for successful economic development and managed growth.
- Encourage youth participation in job development.

## **Actions**

Develop directory of small to large businesses. Create an economic development plan that identifies a foundation to grow resources and services for the community, i.e. shopping, entertainment, dining, and generating jobs. Host a conference with local businesses, City of Molalla, and the MRSD Board of Directors on innovation and possible areas for growth in Molalla’s local workforce.

### ➤ **Potential Partners**

- City, Chamber, Clackamas County, Local businesses, MRSD

## **Actions**

Create a branding and marketing plan to encourage entrepreneurs and attract new businesses. Strengthen promotion and support of local businesses, craftspeople, artisans, etc. (Made in Molalla). Develop a “start a new business” checklist for City website. Promote career technical education for youth, job development, and continuing education.

### ➤ **Potential Partners**

- Clackamas Community College, MRSD, Oregon Universities, Colleges, Extension Services. Businesses, Chamber of Commerce.

**FOCUS AREA #4** Molalla is... a full-service hub of resources.

## **STRATEGIES**

- Inventory and promote available services, resources, and opportunities in Molalla.

## **Action**

Identify regional community needs and the infrastructure required to support them. Study successful models of collaborative efforts that have addressed such needs. Attract missing services to Molalla (Social Security Administration, Oregon Health Authority, health care, expanded bus service, language interpreters) and encourage greater collaboration across non-profits serving families.

### ➤ **Potential Partners**

- County, City/police, state agencies, non-profit agencies.

**Focus Area #5** Molalla is a beautiful and tranquil area where people are deeply connected to its unique natural features.

## **STRATEGIES**

- Strengthen regional partnerships, natural resource areas.

## **ACTION**

Promote Private Groups; Add Signage, engage in partnerships within the community.

Organize volunteer groups.

### ➤ **Potential Partners**

- Molalla River Alliance, ODOT, Molalla River Watch

# About Molalla

## Location

Molalla is part of the Mt. Hood Territory located at the foothills of the Cascade Range, near the Mount Hood National Forest, 15 miles south of Oregon City, and 13 miles east of Interstate 5. The city of Molalla is surrounded by the Molalla River Corridor, rich agriculture, ranches, and rural residential development.



## History

Prior to the arrival of the first Euro-American settlers, the area now known as the City of Molalla was populated by the Molalla Peoples, a Native American tribe that occupied the greater Cascade Mountain range in modern day Oregon, from Mt. Hood in the north to Mt. McLoughlin in the south. The Molalla Peoples subsisted primarily on large game (e.g. deer and elk), fish (e.g. salmon and steelhead), and naturally occurring vegetation (e.g. huckleberries and hazelnuts). The best documented aspect of Molalla culture is the language through which it was transmitted.

Descendants of the Molalla's are now part of the Confederated Tribes of Grande Ronde. However, their presence and heritage exist today throughout our community. The City of Molalla, Molalla River School District, and other non-profits have worked hard, and will continue to do so, to bring healing and a more prominent Tribal presence back to the Molalla area. Seeking fertile soils, ample water and rich grasses, pioneers were attracted to the Molalla area, and in 1840 William Russel filed the first land claim in the area. The community continued to grow around the crossing of two Indian trails, and in 1850 the first local post-office opened. By 1856, the first schools opened, and the town had become a thriving timber, agricultural, and trade center. The year 1857 brought the first general store. The City of Molalla was incorporated in 1913, a year that would prove to be full of "firsts" for the new city. Molalla welcomed her first steam train, first Molalla Buckeroo Rodeo, first bank, and first locally published weekly newspaper. Over time, timber production became the community's largest commodity; at one point five sawmills were present!

Molalla was a true Oregon timber town, and while the local economy has grown far more diverse today, still retains the frontier spirit and "can do" attitude that comes with the dangerous, difficult work of logging and milling. Today, Molalla is a community of 10,335 residents where citizens, business, and City government work together to

ensure the community retains its hometown identity, livability, and natural beauty. Molalla's rich past and beautiful setting is still reflected today in our commitment to our quality of life. Molalla has a rich past and beautiful setting which is reflected today in its commitment to quality of life. The population is estimated to grow to 13,400 by 2030.

## Points of Interest Community Events

### [Celebrate Molalla!](#)

Every September the town celebrates this Beautiful City! This event is hosted by our Councilor. Leota Childress. [Celebrate Molalla 2024](#). For more information about this annual event. Go [HERE!](#)

### [Heritage Art Walk](#)

In 2015 a Ford Family Foundation Cohort and the Confederated Tribes of Grand Ronde Tribe helped create a light pole banner project celebrating Molalla's community and its history. Imagery from the banner project may be used and interpretive signage to expand on the stories of Molalla's heritage and in particular the Molalla Tribe. Sculptures have been placed throughout Molalla in various locations; Fox Park, Clark Park, Long Park, Bear Creek Byway, The Dentist Off Main, and the park near Bi-Mart. For more images and information regarding the Heritage Art Walk, go [HERE!](#)

### [National Night Out](#)

Every August at Clark Park, the Police Department participates in National Night Out. Participants are invited to present displays, demonstrations, and/or handouts relating to child safety and welfare. Current participants include Molalla Fire Department, Molalla Communications (w/free bike helmets), CCSO Sheriff's Posse, Oregon Humane Society, OR Dept. of Forestry (w/Smokey the bear), NW Natural Gas, school buses, Molalla Public Works (with specialized equipment) and many more! We do not allow vendors or individuals to sell products or their services while at the event. However, participants may have business cards or handouts with contact information on them to promote their services/business later.



# Molalla Statistics

## POPULATION PATTERNS

- ✓ 2010 Population 8,108
- ✓ 2022 Population 10,279
- ✓ 2023 Population 10,335

Cited Portland State University [Go, HERE!](#)

[Source Go,Here!](#)

## Molalla Renter vs Owner Occupied by Household Type

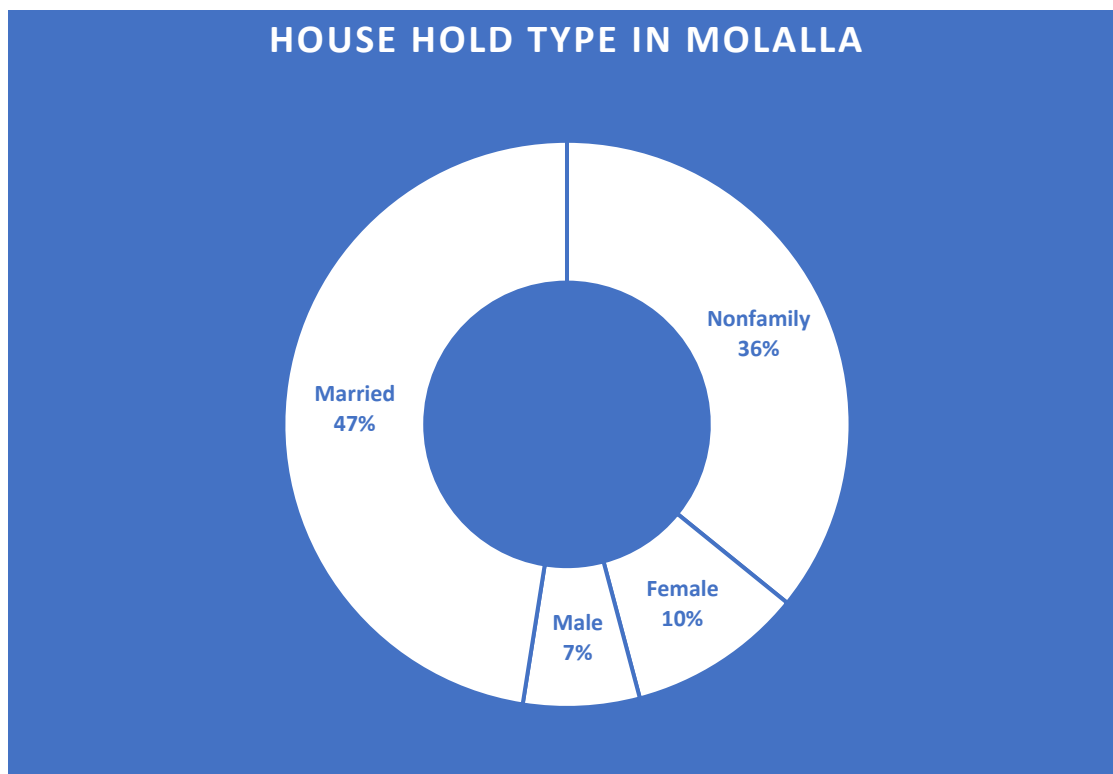
| Household Type | Count | Average Size | Owner | Renter |
|----------------|-------|--------------|-------|--------|
| All            | 3,781 | 2.66         | 62.3  | 37.7   |
| Married        | 1,796 | 3.52         | 73.8  | 26.2   |
| Non Family     | 1,355 | 1.44         | 53.9  | 46.1   |
| Female         | 379   | 2.88         | 42.2  | 57.8   |
| Male           | 251   | 2.71         | 55.8  | 44.2   |

showing: 5 rows

3.17 Average Family Size

2.66 Average Household Size

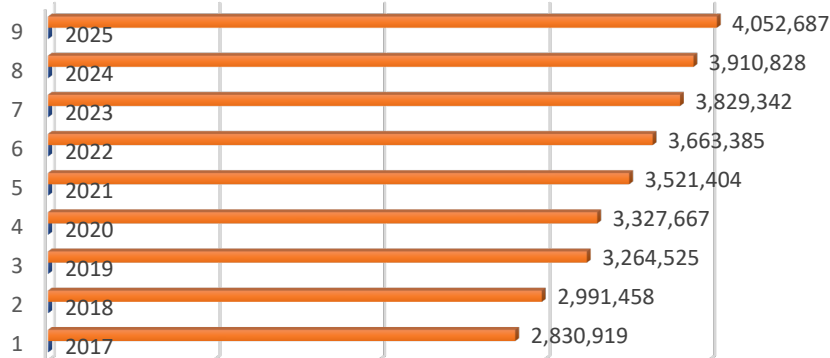
62.3% Rate of Home Ownership





# Population vs Tax Dollars

## Tax Dollars by Year



2025 – Proposed

2024 – Budgeted

2016-2023 Actual

**Table 4. Populations for Oregon and Its Counties and Incorporated Cities and Towns:  
July 1, 2020 - July 1, 2023 estimates; Census Counts 2000-2020**

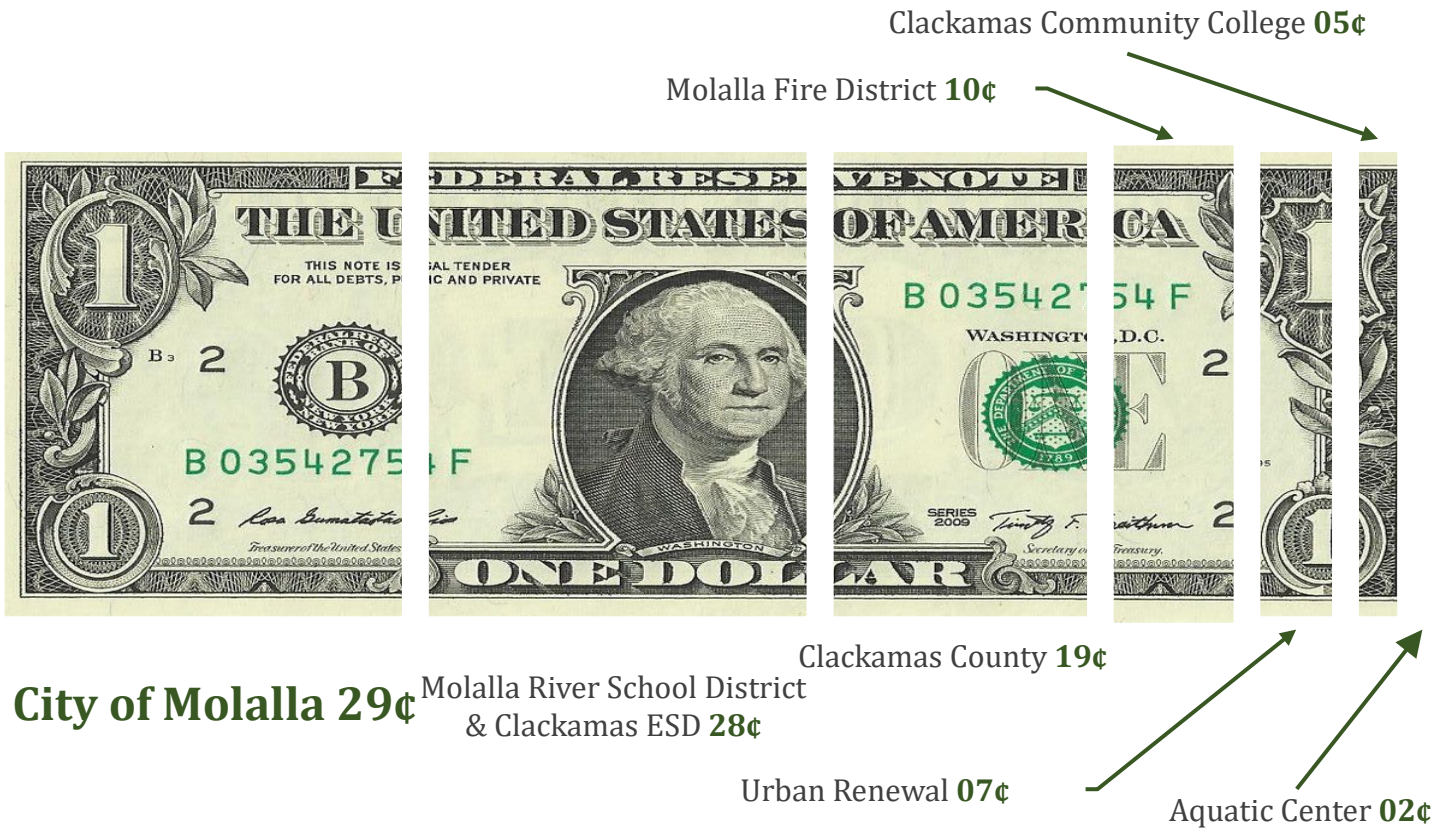
Prepared by Population Research Center, PSU, April 2024.

| County and cities   | July 1 Population Estimates |                  |                  |                  | April 1 Census Population |                  |                  |
|---------------------|-----------------------------|------------------|------------------|------------------|---------------------------|------------------|------------------|
|                     | 2023                        | 2022rev          | 2021rev          | 2020rev          | 2020                      | 2010             | 2000             |
| <b>OREGON</b>       | <b>4,296,626</b>            | <b>4,271,406</b> | <b>4,222,611</b> | <b>4,245,290</b> | <b>4,237,256</b>          | <b>3,831,074</b> | <b>3,421,436</b> |
| <b>CLACKAMAS</b>    | <b>424,043</b>              | <b>421,537</b>   | <b>420,456</b>   | <b>422,395</b>   | <b>421,401</b>            | <b>375,992</b>   | <b>338,391</b>   |
| Barlow              | 140                         | 140              | 133              | 133              | 133                       | 135              | 140              |
| Canby               | 19,045                      | 18,639           | 18,521           | 18,221           | 18,171                    | 15,829           | 12,790           |
| Estacada            | 5,750                       | 5,405            | 5,041            | 4,445            | 4,356                     | 2,695            | 2,371            |
| Gladstone           | 12,140                      | 12,099           | 12,031           | 12,010           | 12,017                    | 11,497           | 11,438           |
| Happy Valley        | 26,799                      | 26,241           | 25,162           | 24,013           | 23,733                    | 13,903           | 4,519            |
| Johnson City City   | 510                         | 508              | 524              | 539              | 539                       | 566              | 634              |
| Lake Oswego (part)* | 38,850                      | 38,449           | 37,904           | 38,131           | 38,107                    | 34,066           | 32,989           |
| Milwaukie           | 21,341                      | 21,261           | 21,178           | 21,231           | 21,119                    | 20,291           | 20,490           |
| <b>Molalla</b>      | <b>10,335</b>               | <b>10,279</b>    | <b>10,212</b>    | <b>10,228</b>    | <b>10,228</b>             | <b>8,108</b>     | <b>5,647</b>     |
| Oregon City City    | 38,049                      | 37,638           | 37,495           | 37,635           | 37,572                    | 31,859           | 25,754           |
| Portland (part)*    | 760                         | 760              | 760              | 843              | 843                       | 744              | 747              |
| Rivergrove (part)*  | 508                         | 508              | 505              | 495              | 495                       | 257              | 287              |
| Sandy               | 13,159                      | 12,915           | 12,769           | 12,668           | 12,612                    | 9,570            | 5,385            |
| Tualatin (part)*    | 3,132                       | 3,132            | 3,147            | 3,155            | 3,156                     | 2,862            | 2,664            |
| West Linn City      | 27,360                      | 27,307           | 27,334           | 27,405           | 27,373                    | 25,109           | 22,261           |
| Wilsonville (part)* | 25,501                      | 25,282           | 25,040           | 24,602           | 24,522                    | 17,371           | 13,987           |
| Unincorporated      | 180,664                     | 180,974          | 182,700          | 186,641          | 186,425                   | 170,591          | 176,288          |

For more information on populations in Oregon as of **April 24, 2023**

[Go, HERE!](#)

# Property Tax Dollar.....where does the money go?



Above is a snapshot of where the tax revenue is distributed for every dollar collected by the County Assessor.

## PERSONNEL

### Summary of Personnel

The presented budget has a combined total number of full-time equivalent positions at **64.95**. Molalla is growing every year and development has been at a high. With population growth on the rise the City's need is also growing to accommodate the rise in population. The city works hard to fill vacant positions as they arise.

## PERSONNEL FTE City Wide Chart

The City has two unions that represent employees of the City of Molalla: Teamsters Local 223 Go, [HERE!](#), and the CCPOA Clackamas County Peace Officers Association. [Go, HERE!](#) Public Works employees fall under the Teamsters and the Police Department fall under the CCPOA. Administrative staff is not represented by a by Association. a

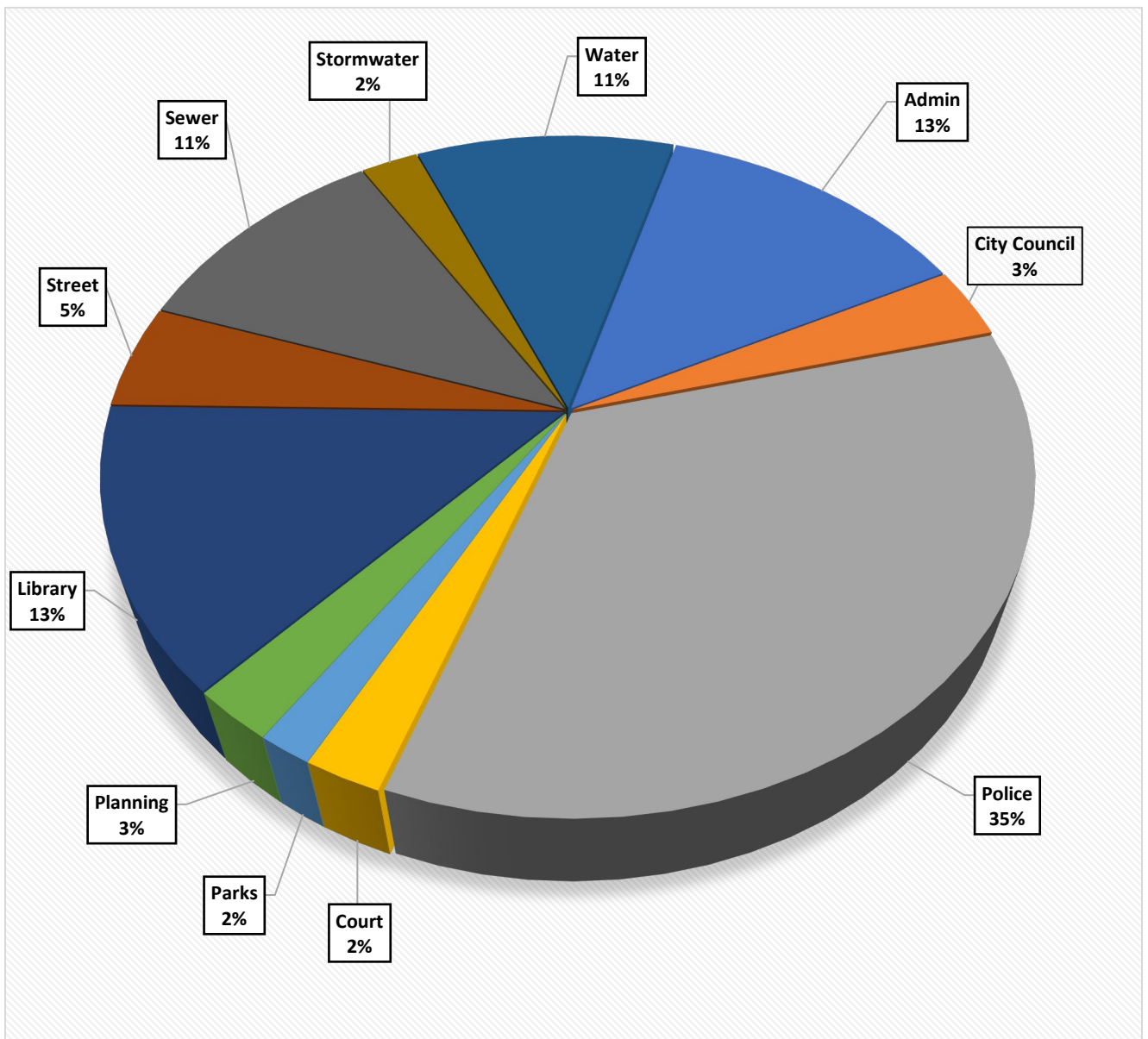
## FULL-TIME EQUIVALENT (FTE'S) EMPLOYEES

|                              | 21-22        | 22-23        | 23-24        | 24-25        | Varian       |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>GENERAL FUND</b>          |              |              |              |              |              |
| Admin                        | 6.00         | 7.00         | 7.50         | 8.50         | -1.00        |
| Police                       | 19.00        | 20.00        | 22.40        | 22.40        | 0.00         |
| City Council                 | 0.00         | 0.00         | 2.24         | 2.24         | 0.00         |
| Court                        | 1.00         | 1.00         | 1.50         | 1.50         | 0.00         |
| Parks                        | 0.86         | 1.00         | 1.15         | 1.05         | 0.10         |
| Planning                     | 2.50         | 1.50         | 1.52         | 1.62         | -0.10        |
| <b>Total General Fund</b>    | <b>29.36</b> | <b>30.50</b> | <b>36.31</b> | <b>37.31</b> | <b>-1.00</b> |
| <b>SPECIAL REVENUE FUNDS</b> |              |              |              |              |              |
| Library                      | 8.70         | 8.70         | 8.70         | 8.70         | 0.00         |
| Street                       | 3.34         | 2.86         | 3.23         | 3.23         | 0.00         |
| <b>Total Special Revenue</b> | <b>12.04</b> | <b>11.56</b> | <b>11.93</b> | <b>11.93</b> | <b>0.00</b>  |
| <b>ENTERPRISE FUNDS</b>      |              |              |              |              |              |
| Sewer                        | 7.85         | 6.69         | 8.14         | 7.14         | 1.00         |
| Water                        | 5.84         | 5.58         | 6.03         | 7.03         | -1.00        |
| Stormwater                   | 1.47         | 1.37         | 1.54         | 1.54         | 0.00         |
| <b>Total Enterprise</b>      | <b>15.16</b> | <b>13.64</b> | <b>15.71</b> | <b>15.71</b> | <b>0.00</b>  |
| <b>Total FTE</b>             | <b>56.56</b> | <b>55.70</b> | <b>63.95</b> | <b>64.95</b> |              |

## Personnel Changes

- Added position to Finance Court in 2024
- Will add New Position in Administration, "Records Specialist."
- The council were recognized as employees during the 23/24 FY.

## CHANGES FROM THE PRIOR YEAR



## Position SCHEDULE FOR MOLALLA

| <u>Position</u>  | <u>Salaried</u> | <u>Hourly</u> |
|--|-----------------|---------------|
| City Manager   | ✓               |               |
| Police Chief   | ✓               |               |
| Community Development Director / Assistant City Manager  | ✓               |               |
| Finance Director   | ✓               |               |
| Library Director   | ✓               |               |
| Lieutenant Police  | ✓               |               |
| PW Division Manager  | ✓               |               |
| City Recorder / Senior Accountant<br>PW Maintenance Section Supervisor / Senior Engineer Building<br>Maintenance- New, HR Manager / Risk | ✓               |               |
| Sergeant Police  | ✓               |               |
| Human Resource Coordinator   | ✓               |               |
| Senior Planner   | ✓               |               |
| Finance Accountant / Senior Engineering Tech   | ✓               |               |
| Support Services Supervisor  | ✓               |               |
| Exec Admin Asst/Dep City Recorder  | ✓               |               |
| OSIV – UB / AP Clerk, Office Specialist IV COURT   | ✓               |               |
| Plan & Admin Support Specialist / OS-V Court Coordinator<br>Assistant Library Director / Program & Outreach Librarian / Librarian        | ✓               |               |
| FT Circulation Assistant II  | ✓               |               |
| PT Circulation Assistant II  |                 | ✓             |
| PT Circulation Assistant I   |                 | ✓             |
| Police Officer   | ✓               |               |
| Records Specialist / Evidence Tech   | ✓               |               |
| Utility Maintenance I  | ✓               |               |
| Utility Maintenance II   | ✓               |               |
| Utility Maintenance III  | ✓               |               |
| Utility Maintenance Lead   | ✓               |               |
| Water Plant Operator I   | ✓               |               |
| Water Plant Operator II  | ✓               |               |
| Wastewater Plant Operator Lead   | ✓               |               |
| Wastewater Plant Operator I  | ✓               |               |
| Wastewater Plant Operator II   | ✓               |               |

## Budget Overview

The pages that follow summarize the City of Molalla's fiscal year 2024-25 budget. More details will be explained in each fund's narratives.

### Revenues

The budget includes total revenue projections of \$79,886,584 in all funds. This is a decrease of \$3,693,308. The decrease stems from capital funding that was not recognized in the previous budget year.

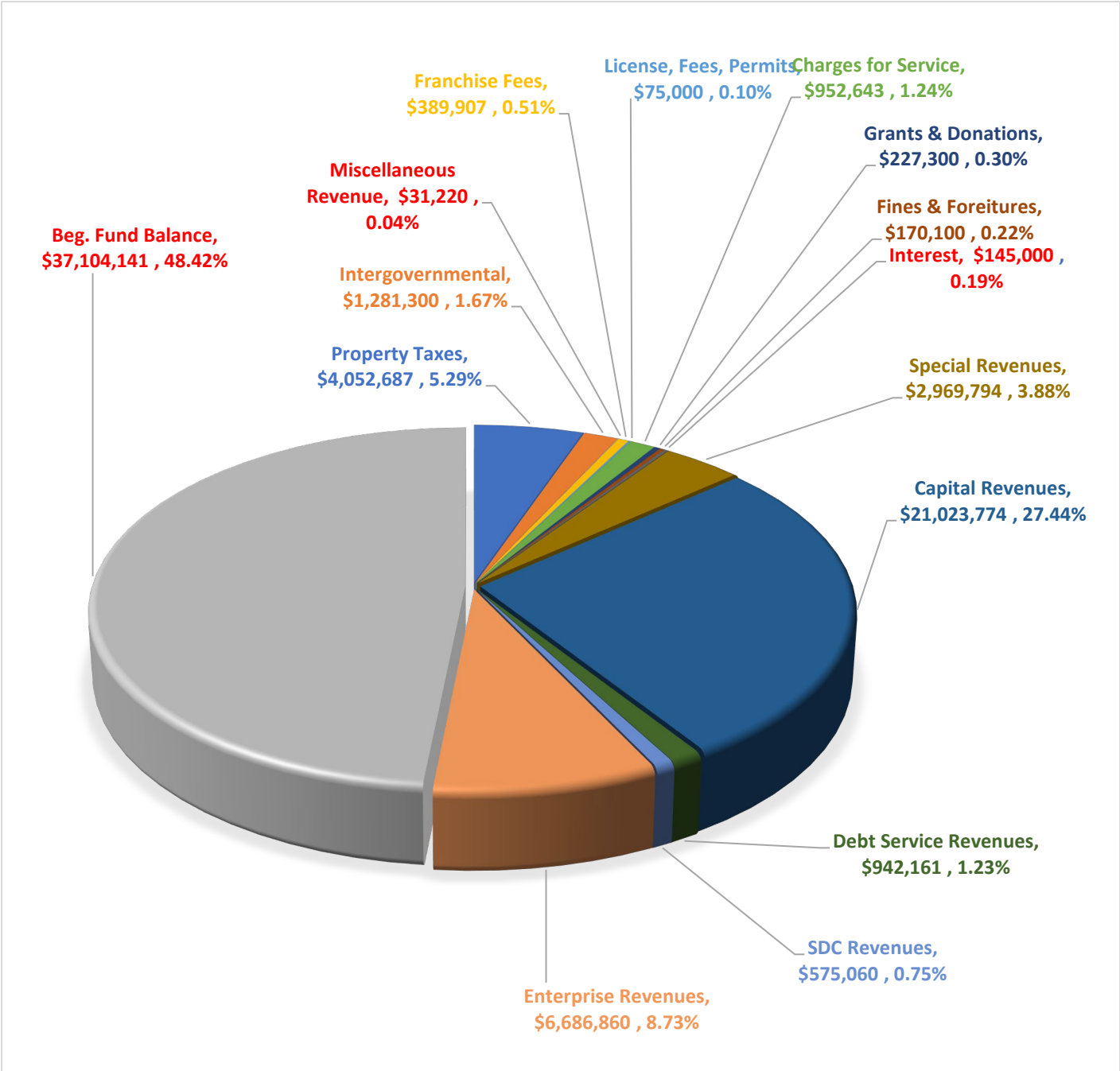
#### Highlights:

- Property tax revenue reflects an increase in budgeted revenue for fiscal year 24/25 of \$43,359 over prior year estimated balances.
- Franchise tax revenue increased by \$46,904. This is due to increases in utilities.
- Licenses and Fees increased by \$4,200.
- Special Revenues increased (Streets, Library, Restricted Funds)
- Misc. Revenue increased \$4,800
- Interest exceeded estimates by \$5,000.
- Charges for services increased by \$167,943. This is due to increases in the cost allocation plan distributed throughout the funds.
- Fines and Forfeitures increased by \$13,000.

| Revenue Source         | FY 2024/2025 Proposed Budget   |                                       |                  |
|------------------------|--------------------------------|---------------------------------------|------------------|
|                        | FY 2024-2025<br>Proposed Total | FY 2024-2025<br>Proposed <b>Minus</b> | FY 2023-2024     |
|                        | All Revenue                    | Transfers                             | Estimated Actual |
| Property Taxes         | \$ 4,052,687                   | \$ 4,052,687                          | \$ 4,009,328     |
| Intergovernmental      | \$ 1,389,200                   | \$ 1,281,300                          | \$ 456,200       |
| Miscellaneous Revenue  | \$ 31,220                      | \$ 31,220                             | \$ 26,420        |
| Franchise Fees         | \$ 389,907                     | \$ 389,907                            | \$ 343,003       |
| License, Fees, Permits | \$ 75,000                      | \$ 75,000                             | \$ 70,800        |
| Charges for Service    | \$ 952,643                     | \$ 952,643                            | \$ 784,700       |
| Grants & Donations     | \$ 227,300                     | \$ 227,300                            | \$ 38,400        |
| Fines & Foreitures     | \$ 170,100                     | \$ 170,100                            | \$ 157,100       |
| Interest               | \$ 145,000                     | \$ 145,000                            | \$ 150,000       |
| Special Revenues       | \$ 3,058,094                   | \$ 2,969,794                          | \$ 2,875,000     |
| Capital Revenues       | \$ 21,626,171                  | \$ 21,023,774                         | \$ 1,212,085     |
| Debt Service Revenues  | \$ 942,161                     | \$ 942,161                            | \$ 532,211       |
| SDC Revenues           | \$ 575,060                     | \$ 575,060                            | \$ 196,794       |
| Enterprise Revenues    | \$ 7,505,000                   | \$ 6,686,860                          | \$ 6,843,479     |
| Beg. Fund Balance      | \$ 38,747,041                  | \$ 37,112,041                         | \$ 44,386,970    |
|                        | \$ 79,886,584                  | \$ 76,634,847                         | \$ 62,082,490    |

\*Estimates Actual Year End are computed during the budget process.

# FY 24/25 Budget Revenues All Funds including Beginning Fund Balances

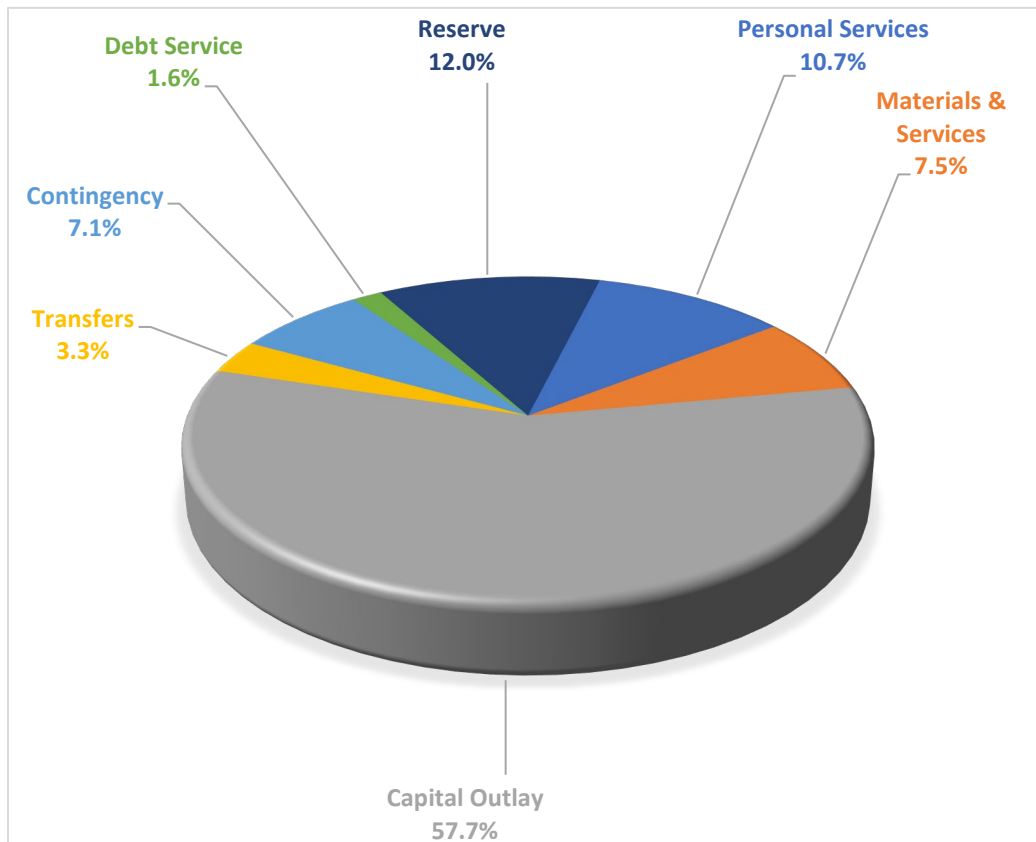


The above chart shows the percentages of where the money comes from of the 2024/2025 Budgeted Revenues.

## Budget Overview, Expenditures

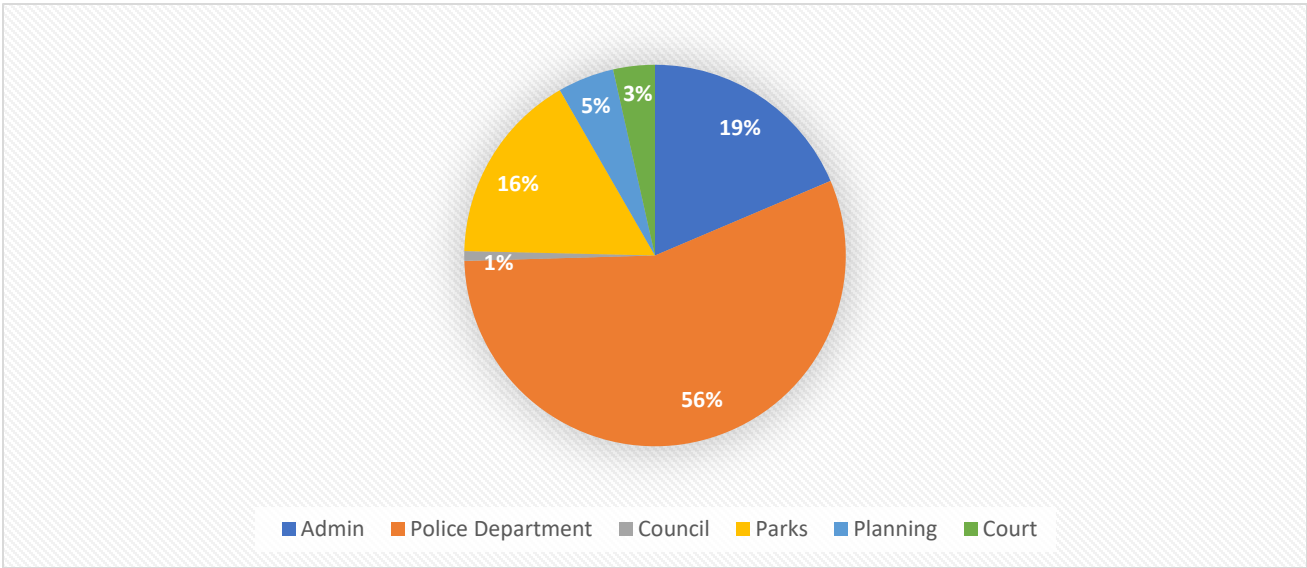
The illustrations below show how the proposed budget is expensed, with percentages.

| Expenditure                     | FY 2024/2025 Proposed Budget |            |
|---------------------------------|------------------------------|------------|
|                                 | Totals                       |            |
| <i>Personal Services</i>        | \$                           | 8,513,648  |
| <i>Materials &amp; Services</i> | \$                           | 6,002,173  |
| <i>Capital Outlay</i>           | \$                           | 46,094,826 |
| <i>Transfers</i>                | \$                           | 2,649,340  |
| <i>Contingency</i>              | \$                           | 5,711,783  |
| <i>Debt Service</i>             | \$                           | 1,301,344  |
| <i>Reserve</i>                  | \$                           | 9,613,470  |
|                                 | \$                           | 79,886,584 |





# Budget Overview, Expenditures General Fund Continued



| General Fund             | FY 2024/2025 Proposed Budget |                  |
|--------------------------|------------------------------|------------------|
|                          | Operating Expenses           |                  |
| <i>Admin</i>             | \$                           | 1,552,798        |
| <i>Police Department</i> | \$                           | 4,668,026        |
| <i>Council</i>           | \$                           | 68,540           |
| <i>Parks</i>             | \$                           | 1,371,764        |
| <i>Planning</i>          | \$                           | 398,903          |
| <i>Court</i>             | \$                           | 294,535          |
| <b>Total</b>             | <b>\$</b>                    | <b>8,354,566</b> |

The above charts show the General Fund Expenditures and how they are allocated.

The budget includes a total City-wide count of 64.94 FTE. Changes in personnel expenditures include:

### General Fund

- The Administration Department added 1 FTE, a records specialist.
- The Administration Department requested approval from council to add a ½ Office Specialist.
- Court added a ½ OSIV Office Specialist
- City Council members are now recognized as employees. Collectively this adds 2.24 FTEs.
- Parks Decreased FTEs by .10
- Planning increased by FTE by 10

## Budget Overview, Expenditures Continued

### Sewer Fund

- Increased 1 FTE.





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**City of Molalla Budget Summary-Proposed FY 2024-2025 - CURRENT YEAR**

|                              | Expenditures      |                     |                   |                  |                  |                  |                  | Resources         |                   |                   |                   |
|------------------------------|-------------------|---------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                              | Personal Services | Material & Services | Capital Outlay    | Transfers        | Contin-gency     | Debt Service     | Reserve          | Total Expenses    | BFB               | Revenues          | Total Revenues    |
| <b>General Fund</b>          |                   |                     |                   |                  |                  |                  |                  | <b>0</b>          | <b>3,186,088</b>  | <b>7,433,057</b>  | <b>10,619,145</b> |
| Administration               | 1,226,198         | 326,600             |                   |                  |                  |                  |                  | 1,552,798         |                   |                   |                   |
| Police                       | 3,711,250         | 667,076             | 189,700           | 100,000          |                  |                  |                  | 4,668,026         |                   |                   |                   |
| Court                        | 155,930           | 138,605             |                   |                  |                  |                  |                  | 294,535           |                   |                   |                   |
| City Council                 | 16,411            | 52,129              |                   |                  |                  |                  |                  | 68,540            |                   |                   |                   |
| Parks                        | 124,267           | 89,597              | 1,150,000         | 7,900            |                  |                  |                  | 1,371,764         |                   |                   |                   |
| Planning                     | 260,078           | 138,825             |                   |                  |                  |                  |                  | 398,903           |                   |                   |                   |
| Capital Outlay               |                   |                     |                   |                  |                  |                  |                  | 0                 |                   |                   |                   |
| Transfers                    |                   |                     |                   |                  |                  |                  |                  | 0                 |                   |                   |                   |
| Contingency/Reserve          |                   |                     |                   |                  | 1,500,000        |                  | 764,579          | 2,264,579         |                   |                   |                   |
| <b>Total General Fund</b>    | <b>5,494,134</b>  | <b>1,412,832</b>    | <b>1,339,700</b>  | <b>107,900</b>   | <b>1,500,000</b> | <b>0</b>         | <b>764,579</b>   | <b>10,619,145</b> | <b>3,186,088</b>  | <b>7,433,057</b>  | <b>10,619,145</b> |
| <b>Special Revenue Funds</b> |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| Library                      | 702,324           | 476,455             | 2,516,909         |                  | 706,546          |                  | 221,298          | 4,623,532         | 3,360,632         | 1,262,900         | 4,623,532         |
| Street                       | 421,790           | 828,961             | 652,800           | 38,300           | 2,055,237        | 184,000          | 1,005,000        | 5,186,088         | 3,458,088         | 1,728,000         | 5,186,088         |
| PD Restricted                |                   | 29,406              |                   | 50,000           |                  |                  |                  | 79,406            | 12,212            | 67,194            | 79,406            |
| <b>Total Special Revenue</b> | <b>1,124,114</b>  | <b>1,334,822</b>    | <b>3,169,709</b>  | <b>88,300</b>    | <b>2,761,783</b> | <b>184,000</b>   | <b>1,226,298</b> | <b>9,889,026</b>  | <b>6,830,932</b>  | <b>3,058,094</b>  | <b>9,889,026</b>  |
| <b>Capital Project Funds</b> |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| Capital Projects             |                   |                     |                   |                  |                  |                  |                  | 0                 |                   |                   | 0                 |
| WWTP Upgrade Project         |                   |                     | 21,226,521        |                  |                  |                  |                  | 21,226,521        | 0                 | 21,226,521        | 21,226,521        |
| New Police Facility          |                   |                     | 16,960,230        |                  |                  |                  |                  | 16,960,230        | 16830230          | 130,000           | 16,960,230        |
| Fleet Replacement            |                   |                     | 621,566           |                  |                  |                  | 0                | 621,566           | 351,916           | 269,650           | 621,566           |
| <b>Total Capital</b>         | <b>0</b>          | <b>0</b>            | <b>38,808,317</b> | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>38,808,317</b> | <b>17,182,146</b> | <b>21,626,171</b> | <b>38,808,317</b> |
| <b>Debt Service Funds</b>    |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| GO Bond Debt                 |                   |                     |                   |                  |                  | 739,445          |                  | 739,445           |                   | 739,445           | 739,445           |
| Sewer Debt Retirement        |                   |                     |                   |                  |                  | 377,899          | 367,109          | 745,008           | 542,292           | 202,716           | 745,008           |
| Water Debt Retirement        |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| CWSRF Debt Retirement        |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| <b>Total Debt Service</b>    | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>0</b>         | <b>0</b>         | <b>1,117,344</b> | <b>367,109</b>   | <b>1,484,453</b>  | <b>542,292</b>    | <b>942,161</b>    | <b>1,484,453</b>  |
| <b>SDC Funds</b>             |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| Street SDC's                 |                   |                     |                   | 450,000          |                  |                  | 1,364,380        | 1,814,380         | 1,670,380         | 144,000           | 1,814,380         |
| Park SDC's                   |                   |                     |                   | 700,000          |                  |                  | 1,345,857        | 2,045,857         | 1,900,857         | 145,000           | 2,045,857         |
| Sewer SDC's                  |                   |                     |                   | 210,000          |                  |                  | 1,469,926        | 1,679,926         | 1,499,926         | 180,000           | 1,679,926         |
| Water SDC's                  |                   |                     |                   | 275,000          |                  |                  | 190,596          | 465,596           | 377,096           | 88,500            | 465,596           |
| Stormwater SDC's             |                   |                     |                   | 0                |                  |                  | 220,510          | 220,510           | 202,950           | 17,560            | 220,510           |
| <b>Total SDC's</b>           | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>1,635,000</b> | <b>0</b>         | <b>0</b>         | <b>4,591,269</b> | <b>6,226,269</b>  | <b>5,651,209</b>  | <b>575,060</b>    | <b>6,226,269</b>  |
| <b>Enterprise Funds</b>      |                   |                     |                   |                  |                  |                  |                  |                   |                   |                   |                   |
| Sewer                        | 825,965           | 2,136,058           | 650,000           | 781,415          | 800,000          |                  | 1,046,707        | 6,240,145         | 1,781,645         | 4,458,500         | 6,240,145         |
| Water                        | 872,978           | 958,947             | 1,925,100         | 21,725           | 500,000          |                  | 1,528,289        | 5,807,039         | 3,140,539         | 2,666,500         | 5,807,039         |
| Stormwater                   | 196,457           | 159,514             | 202,000           | 15,000           | 150,000          |                  | 89,219           | 812,190           | 432,190           | 380,000           | 812,190           |
| <b>Total Enterprise</b>      | <b>1,895,400</b>  | <b>3,254,519</b>    | <b>2,777,100</b>  | <b>818,140</b>   | <b>1,450,000</b> | <b>0</b>         | <b>2,664,215</b> | <b>12,859,374</b> | <b>5,354,374</b>  | <b>7,505,000</b>  | <b>12,859,374</b> |
| <b>Total City of Molalla</b> | <b>8,513,648</b>  | <b>6,002,173</b>    | <b>46,094,826</b> | <b>2,649,340</b> | <b>5,711,783</b> | <b>1,301,344</b> | <b>9,613,470</b> | <b>79,886,584</b> | <b>38,747,041</b> | <b>41,139,543</b> | <b>79,886,584</b> |
| <b>Urban Renewal</b>         |                   | 50,278              | 3,000,000         |                  | 464,435          | 549,162          | 300,000          | 4,363,875         | 3,278,330         | 1,085,545         | 4,363,875         |
| <b>Total All Funds</b>       | <b>8,513,648</b>  | <b>6,052,451</b>    | <b>49,094,826</b> | <b>2,649,340</b> | <b>6,176,218</b> | <b>1,850,506</b> | <b>9,913,470</b> | <b>84,250,459</b> | <b>42,025,371</b> | <b>42,225,088</b> | <b>84,250,459</b> |

## City of Molalla Budget Summary-Adopted FY 2023-2024 - *PRIOR YEAR*

|                              | Expenditures      |                     |                   |                  |                  |                |                   |                   | Resources         |                   |                   |
|------------------------------|-------------------|---------------------|-------------------|------------------|------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                              | Personal Services | Material & Services | Capital Outlay    | Transfers        | Contingency      | Debt Service   | Reserve           | Total Expenses    | BFB               | Revenues          | Total Revenues    |
| <b>General Fund</b>          |                   |                     |                   |                  |                  |                |                   | <b>0</b>          | <b>2,564,850</b>  | <b>6,228,012</b>  | <b>8,792,862</b>  |
| Administration               | 1,000,145         | 358,333             |                   |                  |                  |                |                   | 1,358,478         |                   |                   |                   |
| Police                       | 3,145,164         | 674,006             |                   |                  |                  |                |                   | 3,819,170         |                   |                   |                   |
| Court                        | 103,185           | 294,535             |                   |                  |                  |                |                   | 397,720           |                   |                   |                   |
| City Council                 | 0                 | 69,810              |                   |                  |                  |                |                   | 69,810            |                   |                   |                   |
| Parks                        | 132,197           | 63,472              |                   |                  |                  |                |                   | 195,669           |                   |                   |                   |
| Planning                     | 191,569           | 133,150             |                   |                  |                  |                |                   | 324,719           |                   |                   |                   |
| Contingency                  |                   |                     |                   |                  | 1,500,000        |                |                   | 878,250           |                   |                   |                   |
| <b>Total General Fund</b>    | <b>4,572,260</b>  | <b>1,593,306</b>    | <b>0</b>          | <b>0</b>         | <b>1,500,000</b> | <b>0</b>       | <b>878,250</b>    | <b>8,543,816</b>  | <b>2,564,850</b>  | <b>6,228,012</b>  | <b>8,792,862</b>  |
| <b>Special Revenue Funds</b> |                   |                     |                   |                  |                  |                |                   |                   |                   |                   |                   |
| Library                      | 714,200           | 486,978             | 2,516,909         |                  | 400,000          |                | 212,341           | 4,330,428         | 3,093,589         | 1,236,839         | 4,330,428         |
| Street                       | 388,430           | 679,496             | 1,919,528         | 38,300           | 500,000          |                | 1,007,027         | 4,532,781         | 1,681,916         | 2,850,865         | 4,532,781         |
| PD Restricted                |                   | 7,466               | 0                 | 50,000           |                  |                |                   | 57,466            | 2,351             | 55,115            | 57,466            |
| <b>Total Special Revenue</b> | <b>1,102,630</b>  | <b>1,173,940</b>    | <b>4,436,437</b>  | <b>88,300</b>    | <b>900,000</b>   | <b>0</b>       | <b>1,219,368</b>  | <b>8,920,675</b>  | <b>4,777,856</b>  | <b>4,142,819</b>  | <b>8,920,675</b>  |
| <b>Capital Project Funds</b> |                   |                     |                   |                  |                  |                |                   |                   |                   |                   |                   |
| Capital Projects             |                   |                     | 25,487,509        |                  |                  |                |                   | 25,487,509        | 1,348,555         | 24,196,186        | 25,544,741        |
| Fleet Replacement            |                   |                     | 659,261           |                  |                  |                |                   | 659,261           | 387,854           | 271,407           | 659,261           |
| <b>Total Capital</b>         | <b>0</b>          | <b>0</b>            | <b>26,146,770</b> | <b>0</b>         | <b>0</b>         | <b>0</b>       | <b>0</b>          | <b>26,146,770</b> | <b>1,736,409</b>  | <b>24,467,593</b> | <b>26,204,002</b> |
| <b>Debt Service Funds</b>    |                   |                     |                   |                  |                  |                |                   |                   |                   |                   |                   |
| Bonded Debt                  |                   |                     |                   |                  |                  |                |                   | 0                 |                   |                   | 0                 |
| Sewer Debt Retirement        |                   |                     |                   |                  |                  | 442,482        | 215,838           | 658,320           | 22,706            | 635,614           | 658,320           |
| Water Debt Retirement        |                   |                     |                   |                  |                  |                |                   | 0                 |                   |                   | 0                 |
| CWSRF Debt Retirement        |                   |                     |                   |                  |                  |                |                   | 0                 |                   |                   | 0                 |
| <b>Total Debt Service</b>    | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>0</b>         | <b>0</b>         | <b>442,482</b> | <b>215,838</b>    | <b>658,320</b>    | <b>22,706</b>     | <b>635,614</b>    | <b>658,320</b>    |
| <b>SDC Funds</b>             |                   |                     |                   |                  |                  |                |                   |                   |                   |                   |                   |
| Street SDC's                 |                   |                     |                   | 850,000          |                  |                | 1,427,981         | 2,277,981         | 2,081,187         | 196,794           | 2,277,981         |
| Park SDC's                   |                   |                     |                   | 75,000           |                  |                | 1,482,174         | 1,557,174         | 1,449,581         |                   | 1,449,581         |
| Sewer SDC's                  |                   |                     |                   | 0                |                  |                | 1,298,482         | 1,298,482         | 1,118,446         |                   | 1,118,446         |
| Water SDC's                  |                   |                     |                   | 100,000          |                  |                | 239,374           | 339,374           | 266,895           |                   | 266,895           |
| Stormwater SDC's             |                   |                     |                   | 60,763           |                  |                | 175,056           | 235,819           | 153,966           |                   | 153,966           |
| <b>Total SDC's</b>           | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>1,085,763</b> | <b>0</b>         | <b>0</b>       | <b>4,623,067</b>  | <b>5,708,830</b>  | <b>5,070,075</b>  | <b>196,794</b>    | <b>5,266,869</b>  |
| <b>Enterprise Funds</b>      |                   |                     |                   |                  |                  |                |                   |                   |                   |                   |                   |
| Sewer                        | 926,288           | 2,036,498           | 21,241,521        | 760,501          | 800,000          |                | 1,597,431         | 27,362,239        | 2,103,522         | 25,456,718        | 27,560,240        |
| Water                        | 704,008           | 747,600             | 1,311,000         | 21,725           | 500,000          |                | 2,056,876         | 5,341,209         | 2,619,156         | 2,722,053         | 5,341,209         |
| Stormwater                   | 200,835           | 121,032             | 162,763           | 26,400           | 125,000          |                | 262,004           | 898,034           | 374,698           | 523,336           | 898,034           |
| <b>Total Enterprise</b>      | <b>1,831,131</b>  | <b>2,905,130</b>    | <b>22,715,284</b> | <b>808,626</b>   | <b>1,425,000</b> | <b>0</b>       | <b>3,916,311</b>  | <b>33,601,482</b> | <b>5,097,376</b>  | <b>28,702,107</b> | <b>33,799,483</b> |
| <b>Total City of Molalla</b> | <b>7,506,021</b>  | <b>5,672,376</b>    | <b>53,298,491</b> | <b>1,982,689</b> | <b>3,825,000</b> | <b>442,482</b> | <b>10,852,833</b> | <b>83,579,892</b> | <b>19,269,271</b> | <b>64,372,939</b> | <b>83,642,210</b> |
| <b>Urban Renewal</b>         |                   | 45,608              | 2,363,670         |                  | 9,300            | 532,211        | 550,000           | 3,500,789         | 2,501,265         | 999,525           | 3,500,790         |
| <b>Total All Funds</b>       | <b>7,506,021</b>  | <b>5,717,984</b>    | <b>55,662,161</b> | <b>1,982,689</b> | <b>3,834,300</b> | <b>974,693</b> | <b>11,402,833</b> | <b>87,080,681</b> | <b>21,770,536</b> | <b>65,372,464</b> | <b>87,143,000</b> |

# BUDGET PROCESS

## OREGON BUDGET LAW

A budget is a financial plan containing estimates of revenues and expenditures for a single fiscal year (July 1 through June 30). Besides outlining programs for the coming year, the budget controls the local government's spending authority and encourages community involvement. Oregon's local budget law is a group of statutes, ORS 294.305 to 294.565, that require local governments to prepare and adopt annual or biennial budgets following a very specific process. Chapter 294.321 defines the six major purposes of local budget law:

1. To establish standard procedures for the preparation, presentation, administration, and appraisal of budgets of municipal corporations.
2. To provide for a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs.
3. To provide for estimation of revenues, expenditures, and proposed taxes.
4. To provide specific methods for obtaining public views in the preparation of fiscal policy.
5. To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds.
6. To enable the public, taxpayers, and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

Publications such as the ["Local Budgeting Manual"](#) provide detailed budgeting guidelines and statutory interpretations: ["Local Budgeting in Oregon"](#) is an overview of the budgeting process and is especially designed for the public and budget committee members.

## BUDGET PROCESS

**PREPARE** – The Finance Department, under the direction of the City Manager and Finance Director and with department directors, prepares a requested budget. The budget document is in a format prescribed by the Oregon Department of Revenue, meeting the requirements set out in statute. The Finance Department performs financial, economic, budgetary and statistical forecasting and analyses in support of management decisions, including development of revenue forecasting models, cost variance analyses, preparation of long-term financial plans.

## BUDGET PROCESS, Continued

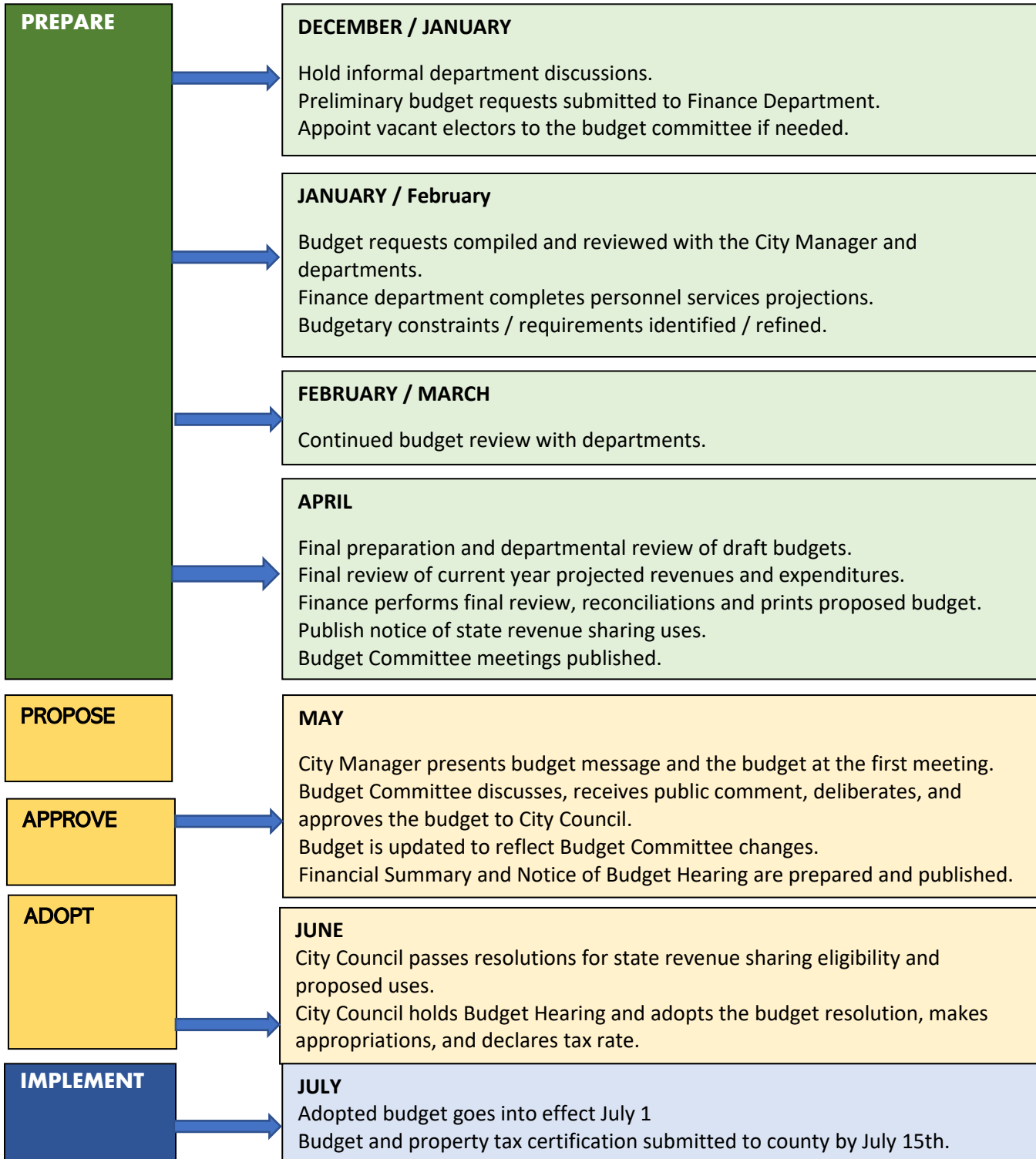
**PROPOSE** – The Budget Officer (City Manager) is responsible for delivering the budget message and presenting a proposed budget that is balanced. The City Manager in collaboration with the Finance Director and department directors adjust the requested budget. The Proposed Budget must be balanced; total resources consisting of beginning fund balance, current year revenue, transfers, and other resources must equal total requirements consisting of expenditures, transfers, contingency and other requirements.

**APPROVE** – The Budget Committee reviews and approves the budget. At the Budget meeting, the budget message is delivered. The budget message explains the proposed budget and significant changes in the local government’s financial position. The Budget Committee reviews the proposed budget, listens to comments from community members, considers any changes, and then approves the budget. Public notices are required before the Budget Committee’s first meeting. These requirements encourage public participation in the budget-making process and give public exposure to budgeted programs and fiscal policies before their adoption.

**ADOPT** – After the budget is approved, a budget hearing must be held by the governing body. The purpose of the hearing is to receive community testimony on the budget approved by the Budget Committee. All hearings are open to the public. After the budget hearing, and after considering public testimony, the governing body enacts a resolution or ordinance to 1) formally adopt the budget, 2) make appropriations, 3) levy, and 4) categorize any tax. The budget is the basis for making appropriations and certifying the tax levy. The resolution must be adopted no later than June 30. Public notices are required before the hearing, including a summary of the approved budget.

**IMPLEMENT** – This phase occurs during the budget period when the City is operating under the adopted budget. The City implements responsible budget management, monitoring, and review. Revisions to the adopted budget may require budget adjustments, resolution or supplemental budgets. By transferring appropriations, a governing body usually has enough flexibility to carry out the programs prescribed in an adopted budget. The governing body may adopt a supplemental budget at a regular public meeting if prior notice is given and the expenditures in the supplemental budget are **10 % or less** than of the budget fund being adjusted. If the expenditures are more, the governing body must publish a summary of the changes in the supplemental budget and hold a special hearing.

# BUDGET CALENDAR





## Budget Committee

### City Council Members:

**Scott Keyser, *Mayor***

**Jody Newland, *Council President***

**Rae Lynn Botsford**

**Leota Childress**

**Eric Vermillion**

**Terry Shankle**



### Citizen Members:

**Glen Boreth**

**Levi Davis**

**Lizz Klein**

**Darci Lightner**

**Char Pennie**

**Regina Sheaves**

**Mechelle Trefethen**

### Staff:

**Dan Huff, City Manager**

**Cindy Chauran, Finance Director**

**Christie Teets, City Recorder**

**Chris Long, Chief of Police**

**Mac Corthell, CD Director/Assistant City Manager**

**Diana Hadley, Library Director**

**Andy Oliva, Human Resource/Risk Manager**

## Section 2 – Financial Structure, Policy, and Process

- ✓ Basis of Accounting & Budgeting
- ✓ Fund Descriptions & Structures
- ✓ Financial Policies
- ✓ Long Term Debt Policy



## BASIS OF ACCOUNTING AND BUDGETING

### Measuring Focus, Basis of Accounting & Budgeting

The “basis of accounting” and “basis of budgeting” determine when revenues and expenditures are recognized for the purposes of financial reporting and budget control. The city of Molalla employs a hybrid basis of accounting that is called “modified accrual”. Under this system revenues are recognized when they become measurable and available; expenditures are recognized when the obligation to pay is incurred. However, capital expenditures are recognized at the time of purchase. This leads to significant increases and decreases in total expenditure from year to year. Capital expenses tend to be large and unevenly timed.

Accounting on a “cash basis” means that revenues and expenditures are recorded when cash is received or paid out. This method is used by many small businesses. The City of Molalla has traditionally used a cash basis of budgeting. This has required a significant adjustment at the end of each year to meet the GASB standard for auditing. Smaller entities frequently use the cash basis, but it has been determined that the size and complexity of Molalla’s budget justifies changing the budget basis to modified accrual.

Molalla’s governmental fund financial statements are reported using the [current financial resources measuring focus](#) and the modified accrual bases of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within a period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Oregon budget law requires a change in the basis of accounting to be adopted as part of the annual budget. The effect on the 2024-2025 budget is that additional revenues that are received within 60 days after June 30 and expenditures for goods and services that are unpaid as of June 30, will be recorded directly into our software against the current year budget. This will apply to those revenues that are earned before June 30 and those expenditures that are incurred before June 30. This budget includes those anticipated additional revenues and expenditures.

# FUND ACCOUNTING

## Financial Analysis

The proposed budget for FY 2024/2025 for the City of Molalla has been prepared in accordance with Oregon budget law and generally accepted accounting principles. This is a lean budget with continued focus on expenditure controls, building working capital, contingencies, and reserves, and focus on capital improvements to city infrastructure.

## Fund Descriptions

The financial structure of the City is organized and operated based on fund accounting. There are both federal and state requirements for local governments to budget by fund as a means of maintaining records for resources which are designated to carry out specific activities or meet objectives. Oregon Administrative rules define a fund as, “a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives with special regulations, restrictions, or limitations.”

## Government Funds

Government funds house most of the City’s functions and include the General Fund, Special Revenue Funds, and Debt Service Funds.

**GENERAL FUND** – The General Fund is the general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in another fund.

- Police
- Administration
- Municipal Court
- City Council
- Parks
- Planning

**SPECIAL REVENUE** – Accounts for money that is earmarked for a specific purpose, for example, gas tax or special district revenue.

- Library Fund
- Street Fund
- Police Restricted
- Capital Projects
- Fleet Reserve
- Transportation SDC’s
- Parks SDC’s

## FUND ACCOUNTING, Continued

### DEBT SERVICE FUNDS

The City maintains a dedicated fund for repayment of long-term.

- Sewer Debt Retirement
- WWTP Upgrade Project
- New Police Facility Project (GO Bond)

### SDC Fund

(The City collects systems development charges for streets, water, sewer, storm water, and parks).

**ENTERPRISE (or Proprietary) FUNDS** – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations – Water, Sewer, and Storm Water. Included in these segments are:

### Water Operations

#### **Water Fund**

The Water Fund accounts for water services for residents of the City. The principal revenues source is from user fees. The primary expenditure is for system operations.

#### **Water SDC Fund**

The Water SDC Fund is used to implement the Water System Master Plan. The resource is SDC fee charged on new development.

### Sewer Operations

#### **Sewer Fund**

The Sewer Fund accounts for sewer services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

#### **Sewer SDC Fund**

The Sewer SDC Fund accounts for expenditures on major construction projects or equipment acquisition. Resources are system development charges and fees charged on new development.

## FUND ACCOUNTNG, Continued

### Storm Water Operations

#### Storm Water Fund

The Storm Water Fund accounts for storm drain services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

#### Storm Water SDC Fund

The Storm Water Fund is used to implement the Storm Sewer System Master Plan. Resources are SDC fees charged in new development.

# Financial Policies

## Financial Objectives

### **Financial Goals:**

The City of Molalla's financial goals seek to:

- a. Ensure the financial integrity of the City.
- b. Improve financial information for decision makers at all levels.
- c. Assist policy makers as they contemplate decisions affecting the City on a long-term basis and be a manager as they implement policy on a day-to-day basis.

## Financial Policy

### **The City of Molalla's fiscal policies address the following major areas:**

1. Revenue policy - Addresses property taxes, user charges, and other sources to adequately fund desired services. **Go HERE!** For complete policy.
2. Operating budget policy - Relating to budgeting guidelines. **Go HERE!** For complete policy.
3. Debt policy - Dealing with long-term financing of the City's capital needs and its bond rating. **Go HERE!** For complete policy.
4. Reserve policy - For establishing reserves and contingency funding as needed for the various activities of the City. **Go HERE!** For complete policy.
5. Grant Policy - To assist City of Molalla (City) personnel involved in pursuing, acquiring, and administering federal grant funding **Go HERE!** For complete policy.
6. Expenditure Policy - The purpose of this policy is to establish guidelines for the City of Molalla to process expenditure transactions efficiently and effectively. **Go Here!** For complete policy.

Note: Complete policy details are in the back of this document. Take the short cut link where it says **GO HERE!** and you will be directed to the policy details immediately.

# Reserve Policy

Below is an illustration of the City's reserve policy. Percentages and amounts show that the City is in compliance with this policy.



## CITY OF MOLALLA

### Contingency

FY 2024-2025

| FUND          | Total Budget | Operating Expenses | % of Operating Budget | Amount      |
|---------------|--------------|--------------------|-----------------------|-------------|
| General Fund  | \$10,619,145 | \$6,906,966        | 22%                   | \$1,500,000 |
| Library       | \$4,623,532  | \$1,178,779        | 60%                   | \$706,546   |
| Streets       | \$5,186,088  | \$1,250,751        | 164%                  | \$2,055,237 |
| Sewer         | \$6,240,145  | \$2,962,023        | 27%                   | \$800,000   |
| Water         | \$5,807,039  | \$1,831,925        | 27%                   | \$500,000   |
| Storm         | \$355,971    | \$812,190          | 18%                   | \$150,000   |
| Urban Renewal | \$4,363,875  | \$50,278           | 924%                  | \$464,435   |

Operating expenses includes personnel services and material & services.

| FUND          | Recommended per Policy |
|---------------|------------------------|
| General Fund  | 3 months or 20%        |
| Library       | 3 months or 20%        |
| Streets       | 3 months or 20%        |
| Sewer         | 3 months or 15%        |
| Water         | 3 months or 15%        |
| Storm         | 3 months or 15%        |
| Urban Renewal | 2 months or 5%         |



## FUND STRUCTURE

The City of Molalla has 18 budgeted funds. All the funds with budgetary appropriations in the FY 2024-2025 budget are presented below.

|                                    | Governmental Funds |                       |                       |              | Proprietary Funds |                       |                   |
|------------------------------------|--------------------|-----------------------|-----------------------|--------------|-------------------|-----------------------|-------------------|
|                                    | General Fund       | Special Revenue Funds | Capital Projects Fund | Reserve Fund | Enterprise Funds  | Special Revenue Funds | Debt Service Fund |
| <b>General Fund</b>                | ✓                  |                       |                       |              |                   |                       |                   |
| <b>Library Fund</b>                |                    | ✓                     |                       |              |                   |                       |                   |
| <b>Street Fund</b>                 |                    | ✓                     |                       |              |                   |                       |                   |
| PD Restricted                      |                    | ✓                     |                       |              |                   |                       |                   |
| Street SDC                         |                    | ✓                     |                       |              |                   |                       |                   |
| Park SDC Fund                      |                    | ✓                     |                       |              |                   |                       |                   |
| <b>Capital WWTP Upgrade</b>        |                    |                       | ✓                     |              |                   |                       |                   |
| Fleet Replacement                  |                    |                       |                       | ✓            |                   |                       |                   |
| <b>Capital New Police Facility</b> |                    |                       | ✓                     |              |                   |                       |                   |
| <b>Sewer Fund</b>                  |                    |                       |                       |              | ✓                 |                       |                   |
| <b>Water Fund</b>                  |                    |                       |                       |              | ✓                 |                       |                   |
| Storm Water Fund                   |                    |                       |                       |              | ✓                 |                       |                   |
| Sewer SDC Fund                     |                    |                       |                       |              |                   | ✓                     |                   |
| Water SDC Fund                     |                    |                       |                       |              |                   | ✓                     |                   |
| Storm Water SDC Fund               |                    |                       |                       |              |                   | ✓                     |                   |
| Sewer Debt Fund                    |                    |                       |                       |              |                   |                       | ✓                 |
| GO Bond Debt Fund                  |                    |                       |                       |              |                   |                       | ✓                 |
| <b>Urban Renewal</b>               |                    | ✓                     |                       |              |                   |                       |                   |

A “fund”, as defined by Oregon Administrative Rule 150-294-0420(1), is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances, and changes, all segregated for specific, regulated activities and objectives. Governmental accounting systems are organized and operated on a fund basis. The diverse nature of governmental operations and the need for legal compliance preclude recording and summarizing financial transactions in a single accounting entity.

The table above illustrates fund types required under Oregon Budget Law, as well as the Governmental versus Proprietary Fund distinction required under Generally Accepted Accounting Principles (GAAP). Major Funds are noted in **Bold**.

## FUNCTIONAL UNITS

|                      | General Government | Public Safety | Highways and Streets | Culture and Recreation | Community Development | Enterprise Utility Services |
|----------------------|--------------------|---------------|----------------------|------------------------|-----------------------|-----------------------------|
| General Fund         | ✓                  | ✓             |                      | ✓                      | ✓                     |                             |
| Library Fund         |                    |               |                      | ✓                      |                       |                             |
| Street Fund          |                    |               | ✓                    |                        |                       |                             |
| PD Restricted        |                    | ✓             |                      |                        |                       |                             |
| Street SDC           |                    |               | ✓                    |                        |                       |                             |
| Park SDC             |                    |               |                      | ✓                      |                       |                             |
| Capital Improvement  | ✓                  | ✓             | ✓                    | ✓                      | ✓                     | ✓                           |
| Fleet Replacement    | ✓                  | ✓             | ✓                    | ✓                      | ✓                     | ✓                           |
| Sewer Fund           |                    |               |                      |                        |                       | ✓                           |
| Water Fund           |                    |               |                      |                        |                       | ✓                           |
| Storm                |                    |               |                      |                        |                       | ✓                           |
| Sewer SDC            |                    |               |                      |                        |                       | ✓                           |
| Water SDC            |                    |               |                      |                        |                       | ✓                           |
| Storm SDC            |                    |               |                      |                        |                       | ✓                           |
| Sewer Debt           |                    |               |                      |                        |                       | ✓                           |
| Urban Renewal Agency |                    |               |                      |                        | ✓                     |                             |

The above table provides where the City's functional units are accounted for by fund type and fund.

## Section 3 – Financial Summaries

- ✓ Consolidated Schedules & Graphs
- ✓ Revenue Overview
- ✓ Five Year Forecasts
- ✓ Five Year Capital Forecasting



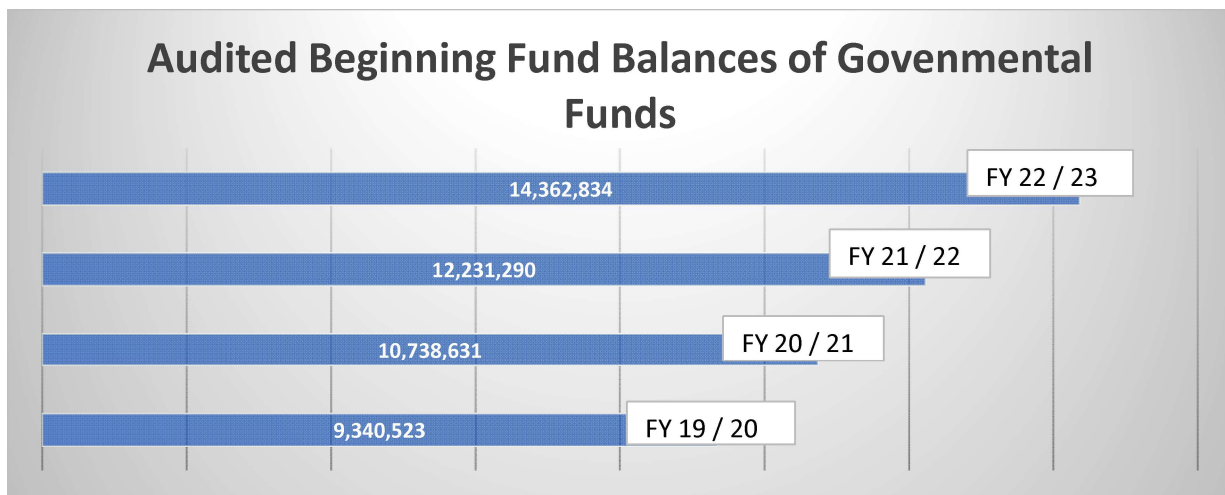
## Consolidated Schedules

The consolidated schedule section first shows the audited General Fund revenues and expenses. As well as audited General Fund revenue and expenses. The General Fund inserts also include this budget year as well. The purpose of this model is to show the sources of revenue by their type, some examples are property taxes, intergovernmental, etc. Also showing the same information for expenditures by presenting them by function, and or program. Example General Government, Public Safety, etc. Percentages and pie charts also show the relationships between the different types of revenues and expenses. The beginning fund balances of the General Fund and the audited Governmental funds are also shown for reference.

- ✓ Consolidated Audited All Governmental Funds (4 Years) not including current budget.
- ✓ Consolidated General Fund Audited, Actual, Estimated, and Proposed.
- ✓ Consolidated General Fund presenting GF Revenues Audited, Actual, and Proposed.
- ✓ Consolidated General Fund presenting GF Expenditures Audited, Actual, and Proposed.

# Consolidated Schedules of Resources, Expenditures, and changes in fund balance

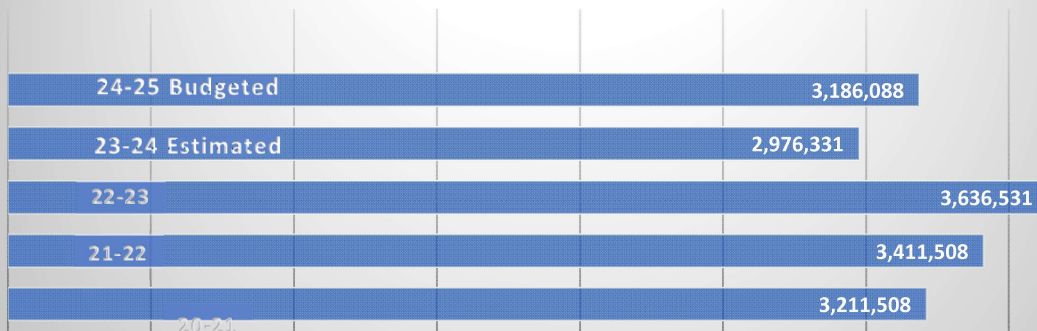
| All Funds - Fiscal Years 2020-22<br>Governmental Funds | 19-20                | 20-21             | 21-22             | 22-23             |
|--|----------------------|-------------------|-------------------|-------------------|
|  | Audited              | Audited           | Audited           | Audited           |
|  | Actual               | Actual            | Actual            | Actual            |
| <b>Revenues</b>  |                      |                   |                   |                   |
| Property Taxes   | 3,334,731            | 3,516,069         | 3,658,175         | 3,873,774         |
| Franchise Fees   | 420,041              | 414,214           | 443,159           | 478,598           |
| Licenses, permits, and fees                            | 72,495               | 272,729           | 282,647           | 296,435           |
| Intergovernmental Grants                               | 2,072,929            | 2,172,224         | 4,100,474         | 3,625,748         |
| Fuel Taxes   | 81,358               | 351,405           |                   |                   |
| Fines and Forfeitures                                  |                      |                   | 807,914           | 806,306           |
| Charges for Service                                    | 9,179                | 240,515           | 154,731           | 152,892           |
| Interest Income  | 644,259              | 570,988           | 143,315           | 134,028           |
| Misc Income  | 335,518              | 167,935           | 125,314           | 692,856           |
| Contributions and Donations                            | 49,872               | 14,119            | 88,357            | 243,491           |
| System Development Charges                             | 11,557               | 60,900            | 108,752           | 12,313            |
| Transfers In   | 233,442              | 944,550           | 81,765            | 1,267,898         |
|  | 3,745,057            | 2,453,894         | 3,048,415         | 6,384,451         |
| <b>Total Resources</b>                                 | <b>11,010,438</b>    | <b>11,179,542</b> | <b>13,043,018</b> | <b>17,968,790</b> |
| <b>Expenditures</b>                                    |                      |                   |                   |                   |
| <b>Current:</b>  |                      |                   |                   |                   |
| General Government                                     | 1,260,822.00         | 1,102,095         | 2,168,966         | 1,266,205         |
| Public Safety  | 2,994,324.00         | 3,212,226         | 3,278,318         | 3,881,244         |
| Highways and Streets                                   | 632,273.00           | 713,313           | 565,249           | 912,659           |
| Cultural and Recreation                                | 1,054,556.00         | 992,675           | 1,016,225         | 1,128,440         |
| Community Development                                  |                      | 380,632           | 282,948           | 295,698           |
| Principal  | 67,606.00            |                   |                   |                   |
| Interest   | 3,547.00             |                   |                   |                   |
| Capital Outlay   | 3,696,779.00         | 2,228,385         | 2,856,036         | 5,807,267         |
| Transfers Out  | 941,332.00           | 1,072,238         | 1,420,082         | 2,545,733         |
| <b>Total Requirements</b>                              | <b>10,651,239.00</b> | <b>9,701,564</b>  | <b>11,587,824</b> | <b>15,837,246</b> |
| Resources over (under) expenditures                    | 359,199.00           | 1,477,978.00      | 1,455,194.00      | 2,131,544.00      |
| <b>Beginning Fund Balance</b>                          | <b>8,981,324</b>     | <b>9,340,523</b>  | <b>10,738,631</b> | <b>12,231,290</b> |
| Prior Period Adjustment                                |                      | -79870            | 37465             |                   |
| <b>Ending Fund Balance</b>                             | <b>9,340,523</b>     | <b>10,738,631</b> | <b>12,231,290</b> | <b>14,362,834</b> |



## Consolidated Schedules of Resources, Expenditures, and changes in fund balance

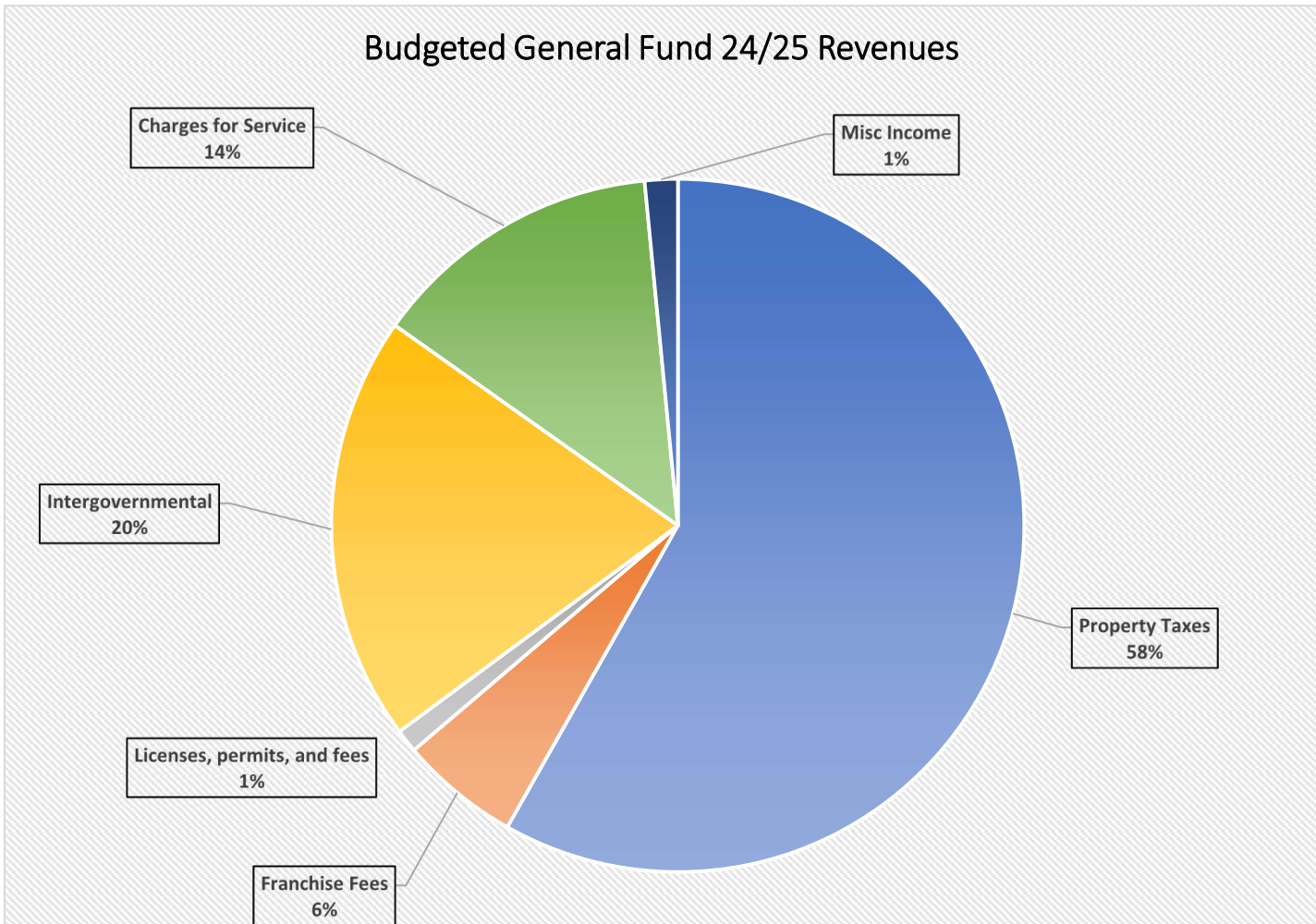
| All Funds - Fiscal Years 2020-22    | 20-21            | 21-22            | 22-23            | 23-24            | 24-25             |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| General Fund                        | Audited Actual   | Audited Actual   | Audited Actual   | Estimated Actual | Budgeted Amounts  |
| <b>Revenues</b>                     |                  |                  |                  |                  |                   |
| Property Taxes                      | 3,521,404        | 3,663,384        | 3,829,342        | 4,009,328        | 4,052,687         |
| Franchise Fees                      | 197,605          | 193,649          | 298,652          | 343,003          | 389,907           |
| Licenses, permits, and fees         | 72,002           | 51,014           | 85,967           | 70,800           | 75,000            |
| Intergovernmental                   | 435,813          | 2,180,047        | 1,449,630        | 456,201          | 1,389,200         |
| Grants                              | 306,214          |                  |                  |                  |                   |
| Fuel Taxes                          |                  |                  |                  |                  |                   |
| Fines and Forfeitures               | 240,377          | 152,806          | 134,499          | 157,100          | 170,100           |
| Charges for Service                 | 547,194          | 494,392          | 531,235          | 784,700          | 952,643           |
| Interest Income                     | 167,935          | 125,029          | 692,856          | 150,000          | 145,000           |
| Misc Income                         | 10,730           | 71,933           | 48,210           | 26,420           | 31,220            |
| Contributions and Donations         | 53,102           | 101,600          | 5,487            | 38,400           | 227,300           |
| Transfers In                        |                  |                  | 42,000           |                  |                   |
| <b>Total Resources</b>              | <b>5,552,376</b> | <b>7,033,854</b> | <b>7,117,878</b> | <b>6,035,952</b> | <b>7,433,057</b>  |
| <b>Expenditures</b>                 |                  |                  |                  |                  |                   |
| <b>Current:</b>                     |                  |                  |                  |                  |                   |
| Administration                      | 1,114,985        | 2,438,395        | 1,659,175        | 1,517,367        | 1,552,798         |
| Police                              | 3,212,226        | 3,130,598        | 3,643,060        | 3,475,870        | 4,378,326         |
| Municipal Court                     | 144,859          | 194,176          | 228,778          | 245,053          | 294,535           |
| City Council                        | 380,632          | 45,606           | 39,729           | 55,846           | 68,540            |
| Parks                               |                  | 234,773          | 148,467          | 208,041          | 213,864           |
| Capital Outlay                      | 41,484           |                  |                  |                  | 1,339,700         |
| Planning                            |                  | 289,706          | 282,093          | 324,018          | 398,903           |
| Debt                                |                  |                  |                  |                  |                   |
| Principal                           |                  |                  |                  |                  |                   |
| Interest                            |                  |                  |                  |                  |                   |
| Contingency                         |                  |                  |                  |                  | 2,264,579         |
| Transfers Out                       | 377,900          | 577,900          | 1,776,776        | 0                | 107,900           |
| <b>Total Requirements</b>           | <b>5,272,086</b> | <b>6,911,154</b> | <b>7,778,078</b> | <b>5,826,195</b> | <b>10,619,145</b> |
| Resources over (under) expenditures | 280,290.00       | 122,700          | -660,200         | 209,757          | -3,186,088        |
| <b>Beginning Fund Balance</b>       | <b>3,211,508</b> | <b>3,411,508</b> | <b>3,636,531</b> | <b>2,976,331</b> | <b>3,186,088</b>  |
| Prior Period Adjustment             | -79870           | 102323           |                  |                  |                   |
| <b>Ending Fund Balance</b>          | <b>3,411,928</b> | <b>3,636,531</b> | <b>2,976,331</b> | <b>3,186,088</b> | <b>0</b>          |

### Beginning Fund Balances



# Consolidated Schedule of General Fund Resources BUDGETED

| All Funds - Fiscal Years 2020-24<br>General Fund | 19-20   | 20-21   | 21-22   | 22-23   | 23-24     | 24-25    |
|--|---------|---------|---------|---------|-----------|----------|
|  | Audited | Audited | Audited | Audited | Estimated | Budgeted |
|  | Actual  | Actual  | Actual  | Actual  | Actual    |          |
| <b>Revenues</b>                                  |         |         |         |         |           |          |
| Property Taxes                                   | 66%     | 63%     | 52%     | 54%     | 66%       | 58%      |
| Franchise Fees                                   | 5%      | 4%      | 3%      | 4%      | 6%        | 6%       |
| Licenses, permits, and fees                      | 1%      | 1%      | 1%      | 1%      | 1%        | 1%       |
| Intergovernmental                                | 7%      | 8%      | 31%     | 20%     | 8%        | 20%      |
| Grants   | 1%      | 6%      | 0%      | 0%      | 0%        | 0%       |
| Fines and Forfeitures                            | 0%      | 4%      | 2%      | 2%      | 3%        | 0%       |
| Charges for Service                              | 13%     | 10%     | 7%      | 7%      | 13%       | 14%      |
| Interest Income                                  | 7%      | 3%      | 2%      | 10%     | 0%        | 0%       |
| Misc Income                                      | 1%      | 0%      | 1%      | 0%      | 2%        | 2%       |
| Contributions and Donations                      | 0%      | 1%      | 1%      | 1%      | 1%        | 0%       |
| <b>Total Resources</b>                           | 100%    | 100%    | 100%    | 100%    | 100%      | 100%     |



# Consolidated Schedule of General Fund Expenditures BUDGETD

| All Funds - Fiscal Years 2020-22<br>General Fund | 19-20             | 20-21             | 21-22             | 22-23             | 23-24               | 24-25    |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|----------|
|  | Audited<br>Actual | Audited<br>Actual | Audited<br>Actual | Audited<br>Actual | Estimated<br>Actual | Budgeted |

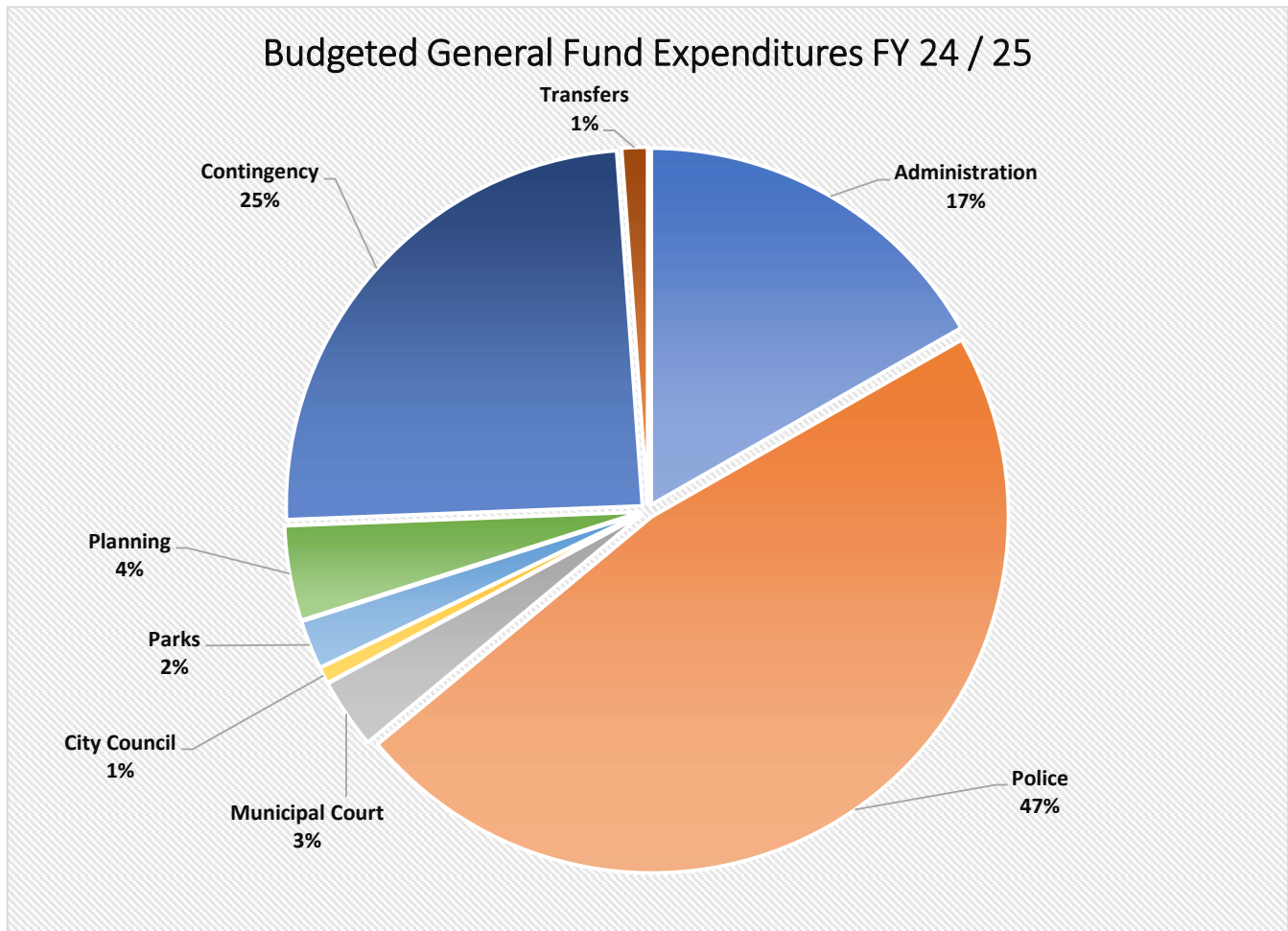
**Expenditures**

**Current:**

|                 |     |     |     |     |     |        |
|-----------------|-----|-----|-----|-----|-----|--------|
| Administration  | 27% | 21% | 35% | 22% | 18% | 14.63% |
| Police          | 65% | 61% | 45% | 47% | 42% | 41.26% |
| Municipal Court | 0%  | 3%  | 3%  | 3%  | 3%  | 2.78%  |
| City Council    | 0%  | 7%  | 1%  | 0%  | 1%  | 0.65%  |
| Parks           | 0%  | 0%  | 3%  | 2%  | 3%  | 1.92%  |
| Capital Outlay  | 0%  | 1%  | 0%  | 0%  | 0%  | 12.63% |
| Planning        | 3%  | 0%  | 4%  | 3%  | 4%  | 3.76%  |
| Debt            | 1%  | 0%  | 0%  | 0%  | 0%  | 0.00%  |
| Contingency     | 0%  | 0%  | 0%  | 0%  | 29% | 21.36% |
| Transfers Out   | 3%  | 7%  | 8%  | 22% | 0%  | 1.02%  |

**Total Requirements**

|      |      |      |      |      |      |         |
|------|------|------|------|------|------|---------|
| 100% | 100% | 100% | 100% | 100% | 100% | 100.00% |
|------|------|------|------|------|------|---------|





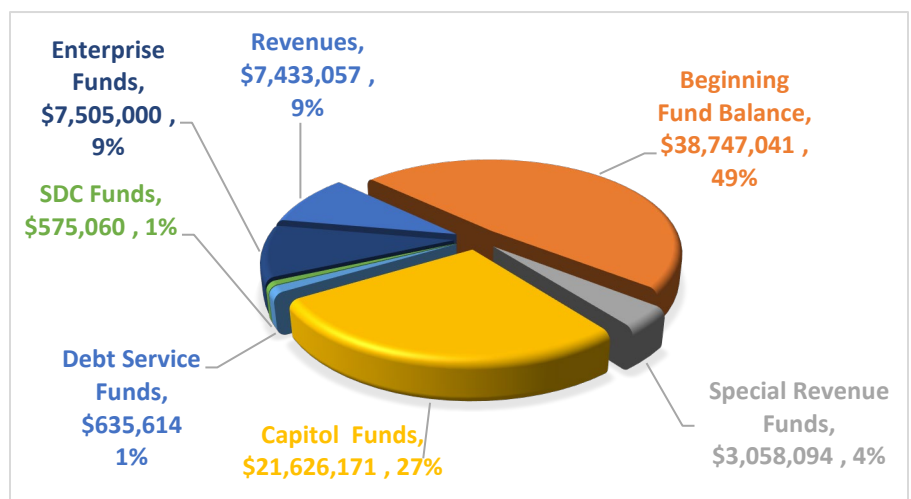
# Revenue Overview

Each local government estimates its budget resources for the ensuing fiscal year by funds and sources. [\(ORS 294.361\(1\)\)](#) Budgeting resources is the total of beginning fund balance (net resources available in a fund at the beginning of the fiscal year) and revenues received into a fund from outside the fund during the fiscal year. All resources and revenue estimates are based on “Good Faith.” That is, they should be reasonable and be reasonably likely to prove correct, based on the known facts at the time.

## REVENUE CATEGORIES

- **Taxes** include property taxes (permanent, local option, and general obligation) and local surcharge taxes. Urban renewal incremental taxes are not included within this budget—they may be found in Molalla Urban Renewal Agency section. **GO HERE for URA**
- **Fees, Licenses & Permits** are typically required by ordinance, such as franchise fees or City services fees.
- **Charges for Service** include user or customer charges (utility service, building plan reviews and inspections), equipment or building rentals, and system development charges.
- **Intergovernmental** includes revenue received from other local, state, and federal agencies, such as grant agreements, intergovernmental agreements, and State Shared Revenues distributed under Oregon Revised Statutes.
- **Fines & Forfeitures** include traffic, municipal citations, and other imposed penalties.
- **Miscellaneous/Other revenue** includes donations, interest on investments, bad debts recovered, and other revenues that cannot be categorized above.
- **Interfund Transfers** are transfers of resources from one fund to another. The fund receiving the transfer shows it as a revenue.
- **Other Financing Sources** includes pass-through transfers and debt proceeds from financing of debt. Pass-through transfers are when one local government collects revenue on behalf of another local government.

All Budgeted Revenue for Fiscal Year 2024-2025  
\$79,886,584

## Revenue Overview, Continued

### Property Taxes

#### Property Taxes in Molalla

The City of Molalla tax revenue is based off of a permanent tax rate of \$5.3058 / \$1000, converted to a tax rate of .0053058%. Full payment of taxes is due by November 15<sup>th</sup> to receive a discount. No discount is allowed on a 1/3 payment and additional 1/3 payments are due on February 15<sup>th</sup> and May 15<sup>th</sup>.

### Intergovernmental

This revenue category includes allocations from State Revenue Sharing, State Gas Tax, State liquor, cigarette, and targeted grants that are issued by the State of Oregon.

### Franchise Fees

The city has four franchise agreements. Revenue from these sources has proved to remain steady even as rates and inflation moves up and down. Since this is based from customer behaviors it shows a direct relation to the growth in Molalla. The only franchise fees that are on the decline are TV and Cable Franchise fees, due to customers moving away from these services.

| Franchise          | Budget | Increase |
|--------------------|--------|----------|
| NWNG – Natural Gas | 78,000 | +18,000  |
| TELEPHONE          | 6,100  | -64      |
| TV- Cable          | 14500  | -61      |
| PGE - Electric     | 291307 | +76307   |

The above referenced numbers are from budgeted amounts. Actual numbers will vary.

### Charges for Service

Below is the revenue budgeted from charges for service this fiscal year. Utilities make up a large portion of the budgeted amount.

|                         | Budgeted  |
|-------------------------|-----------|
| Water Monthly User Fees | 2,300,000 |
| Sewer Monthly User Fees | 4,350,000 |
| Stormwater Fund         | 355,000   |
| SDC Revenues            | 575,060   |

## Revenue Overview, Continued

### Licenses, Permits, Fees

Approximately \$75,000 has been budgeted for licenses, permits, and fees for the General Fund. The bulk of this revenue is from:

|                   | Budgeted |
|-------------------|----------|
| Celebrate Molalla | 13,420   |
| Police Fees       | 12,000   |
| Business Licenses | 40,000   |
| Lien Searches     | 3,000    |

### Fines and Forfeitures

Approximately \$170,100 has been budgeted for Fines & Forfeitures for the General Fund. This revenue is from:

|                                | Budgeted |
|--------------------------------|----------|
| Court Revenues                 | 170,000  |
| Code Enforcement Revenue (New) | 7,500    |

### Administrative Overhead

The process of allocating administration costs is necessary to ensure that all funds contribute to the costs of providing administrative oversight (such as City Manager and Council), human resources, payroll, accounts payable, receivables, legal costs, and liability insurance. Methodology of calculating the allocation varies from city to city. Two of the most common bases are operating costs and FTE's.

There is a two-step process involved. The first allocation that must be determined is the broad allocation of costs between general fund operating departments (Police, Court, Parks, and Planning) and other (non-general) funds.

The second step of the process is to re-allocate the overall percentage of each of the non-general funds to develop the actual transfer ratio for each fund (Library, Streets, Water, Storm, Urban Renewal.) The same methodology (i.e operating costs) should be used to develop those ratios as well.

This makes sure that all operating expenses incurred by the general fund are allocated to all departments for reimbursement of those said costs. Based on the figures described we are budgeting \$807,843 to recoup the costs of those services.

### Miscellaneous

Approximately \$31,220 is budgeted for misc. revenue. Sources include PD, Parks, Planning, and GF misc. revenues.

## Five-Year Financial & Capital Forecasts

### Summary

Finance has completed a five-year financial forecast for all operating funds. Capital, SDC's, capital transfers, are reviewed and scheduled by the Community Development Department. Internal transfers will also not be included as they are driven by financial health during the budget process. Please go to the [Molalla Current](#) for current and upcoming Capital Projects. Also refer to the Capital Projects Fund within this document for more forecasting information on future projects. Molalla continues to take a conservative approach to spending. The goal with this forecast is to preserve capital and continue to grow as a City while staying relevant and sustainable. This is why Contingency/Reserve is part of the General Fund Projections.

## Assumptions

Below are the assumptions for the 5-year Financial Plan. Amounts and percentages are projected very conservatively. That way projections can be made for a worst case scenario, then when the actual numbers are entered the growth can be recognized with the hopes of an upward trend forming. The Capital Fund will be omitted since Capital will have its own 5-year plan. No capital in other funds, transfers, or SDC's will be included in the financial assumptions.

### All Funds

- Salaries: Pending COLAs are a result of Union negotiations.
- Personal Services will be estimated at up to a 5% increase.
- Materials & Services will be estimated up to a 3% increase.
- PERS will be estimated at an increase up to 4% Increase.
- Health Insurance Estimated at a 5% increase.
- Recurring revenues will increase at 3 - 5%

### For 5 Year Capital Plan.

The Capital plan was adopted by resolution on April 27, 2022. Complete details of this plan can be found on the City's website of [GO,HERE!](#) and you will be routed there.

## Financial Forecasts

Current year through 2027-2028

### Expenditures

### Resources

|                              | 23/24             | 24/25             | 25/26             | 26/27             | 27/28             |            | 24/25             | 25/26             | 26/27             | 27/28             |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------|-------------------|-------------------|-------------------|-------------------|
|                              | Total Expenses    |                   |                   |                   |                   |            | BFB               |                   |                   |                   |
| <b>General Fund</b>          |                   |                   |                   |                   |                   | <b>BFB</b> | <b>2,809,717</b>  | <b>3,009,717</b>  | <b>3,209,717</b>  | <b>3,409,717</b>  |
| Administration               | 1,349,238         | 1,443,685         | 1,544,743         | 1,652,875         | 1,768,576         | Revenues   | 6,012,272         | 6,277,241         | 6,553,329         | 6,861,742         |
| Police                       | 3,772,798         | 4,036,894         | 4,319,477         | 4,621,840         | 4,945,369         |            |                   |                   |                   |                   |
| Court                        | 232,985           | 249,294           | 266,745           | 285,417           | 305,396           |            |                   |                   |                   |                   |
| City Council                 | 58,310            | 59,310            | 60,310            | 65,532            | 70,119            |            |                   |                   |                   |                   |
| Parks                        | 195,641           | 209,336           | 223,990           | 239,669           | 256,446           |            |                   |                   |                   |                   |
| Planning                     | 324,652           | 347,378           | 371,694           | 397,713           | 425,553           |            |                   |                   |                   |                   |
| Contingency/Reserve          | 2,403,974         | 2,476,093         | 2,500,000         | 2,500,000         | 2,500,000         |            |                   |                   |                   |                   |
| <b>Total General Fund</b>    | <b>8,337,598</b>  | <b>8,821,989</b>  | <b>9,286,958</b>  | <b>9,763,046</b>  | <b>10,271,459</b> |            | <b>8,821,989</b>  | <b>9,286,958</b>  | <b>9,763,046</b>  | <b>10,271,459</b> |
| <b>Special Revenue Funds</b> |                   |                   |                   |                   |                   |            |                   |                   |                   |                   |
| Library                      | 4,330,428         | 4,633,558         | 4,957,907         | 5,304,960         | 5,676,307         | BFB        | 3,093,589         | 3,293,589         | 3,493,589         | 3,693,589         |
| Street                       | 2,934,149         | 3,139,539         | 3,359,307         | 3,594,458         | 3,846,070         | BFB        | 1,692,812         | 1,892,812         | 2,092,812         | 2,292,812         |
|                              |                   |                   |                   |                   |                   | Revenues   | 2,986,696         | 3,130,813         | 3,313,018         | 3,535,976         |
| <b>Total Special Revenue</b> | <b>7,264,577</b>  | <b>7,773,097</b>  | <b>8,317,214</b>  | <b>8,899,419</b>  | <b>9,522,377</b>  |            | <b>7,773,097</b>  | <b>8,317,214</b>  | <b>8,899,419</b>  | <b>9,522,377</b>  |
| <b>Enterprise Funds</b>      |                   |                   |                   |                   |                   |            |                   |                   |                   |                   |
| Sewer                        | 7,512,239         | 8,038,096         | 8,600,763         | 9,202,816         | 9,847,013         | BFB        | 2,103,522         | 3,271,695         | 3,471,695         | 3,671,695         |
| Water                        | 5,191,209         | 5,554,594         | 5,943,416         | 6,359,455         | 6,804,617         | BFB        | 2,619,156         | 2,572,053         | 2,772,053         | 2,972,053         |
| Stormwater                   | 737,271           | 788,880           | 844,102           | 903,189           | 966,412           | BFB        | 374,698           | 362,573           | 437,573           | 512,573           |
|                              |                   |                   |                   |                   |                   | Revenues   | 9,284,193         | 9,181,959         | 9,784,140         | 10,461,721        |
| <b>Total Enterprise</b>      | <b>13,440,719</b> | <b>14,381,569</b> | <b>15,388,280</b> | <b>16,465,461</b> | <b>17,618,042</b> |            | <b>14,381,569</b> | <b>15,388,280</b> | <b>16,465,461</b> | <b>17,618,042</b> |

## Section 4 – Department Information

- ✓ Department Program Descriptions
- ✓ Department Goals / Descriptions
- ✓ Department Narratives
- ✓ Department Activity Measures



# General Fund RESOURCES

|                                     | Historical Data  |                  |                  | Budget for Next FY 2024-2025 |                  |            |
|-------------------------------------|------------------|------------------|------------------|------------------------------|------------------|------------|
|                                     | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                    | 2024-2025        | 2024-2025  |
|                                     | FISCAL           | FISCAL           | FISCAL           | PROPOSED BY                  | APPROVED BY      | ADOPTED BY |
|                                     | ACTUAL           | ACTUAL           | BUDGET           | BUDGET OFFICER               | BUDGET COMMITTEE | COUNCIL    |
| BEGINNING FUND BALANCE              | 3,513,831        | 3,636,531        | 2,564,850        | <b>3,186,088</b>             |                  |            |
| <b>GENERAL REVENUES</b>             |                  |                  |                  |                              |                  |            |
| CURRENT PROPERTY TAXES              | 3,603,401        | 3,766,141        | 3,910,828        | <b>3,932,687</b>             |                  |            |
| PRIOR PROPERTY TAXES                | 59,982           | 63,201           | 64,850           | <b>120,000</b>               |                  |            |
| REVENUE SHARING - State OR DAS      | 123,777          | 127,750          | 136,100          | <b>140,000</b>               |                  |            |
| STATE/LOCAL SHARED REVENUES         | 85,423           | 41,619           | 82,000           | <b>123,200</b>               |                  |            |
| LIQUOR TAX                          | 187,785          | 202,418          | 198,000          | <b>210,000</b>               |                  |            |
| CIGARETTE TAX                       | 8,506            | 7,490            | 8,200            | <b>9,000</b>                 |                  |            |
| GRANTS-ARP#1                        | 1,028,947        | 1,028,947        | -                | -                            |                  |            |
| GRANT-FEDERAL RELEIF FUND           | 148,294          | -                | -                | -                            |                  |            |
| FEMA-WILDFIRE                       | 93,123           | -                | -                | -                            |                  |            |
| TRAVEL OR DEST READY GRANT          | 2,980            | -                | -                | -                            |                  |            |
| GRANTS-CRF-PARKS                    | 500,000          | -                | -                | -                            |                  |            |
| GRANTS-TRAVEL OREGON                | -                | -                | -                | -                            |                  |            |
| INTEREST                            | 125,029          | 692,856          | 95,182           | <b>145,000</b>               |                  |            |
| TRANSFER FROM CLOSED FUND           | -                | 42,000           | -                | -                            |                  |            |
| TRANSFER FROM CAPITAL PD PROJ       | -                | -                | -                | -                            |                  |            |
| TRANSFER FROM PARKS IMP SDC         | -                | -                | 150,000          | <b>700,000</b>               |                  |            |
| PARKS MASTER PLAN GRANT             | -                | -                | 262,697          | <b>150,000</b>               |                  |            |
| NWNG FRANCHISE FEES                 | 48,314           | 57,653           | 60,000           | <b>78,000</b>                |                  |            |
| TELEPHONE FRANCHISE FEES            | 6,356            | 6,036            | 6,100            | <b>6,100</b>                 |                  |            |
| TV FRANCHISE FEES                   | 13,964           | 12,561           | 12,500           | <b>14,500</b>                |                  |            |
| GENERAL FRANCHISE FEES              | 15               | -                | 50               | -                            |                  |            |
| PGE FRANCHISE FEES                  | 125,000          | 222,402          | 215,000          | <b>291,307</b>               |                  |            |
| <b>TOTAL GENERAL REVENUES</b>       | <b>6,160,898</b> | <b>6,271,074</b> | <b>5,201,507</b> | <b>5,919,794</b>             |                  |            |
| <b>ADMINISTRATION REVENUES</b>      |                  |                  |                  |                              |                  |            |
| BUSINESS LICENSES                   | 34,560           | 35,350           | 35,000           | <b>40,000</b>                |                  |            |
| LIEN SEARCHES                       | 5,280            | 4,350            | 5,000            | <b>3,000</b>                 |                  |            |
| SDC ADMINISTRATION FEE              | 5,798            | 38,685           | 12,990           | <b>18,000</b>                |                  |            |
| GENERAL-MISCELLANEOUS               | 3,974            | 39,066           | 6,000            | <b>15,000</b>                |                  |            |
| COST ALLOCATION PLAN                | 352,206          | 399,194          | 540,331          | <b>807,843</b>               |                  |            |
| CODE ENFORCEMENT REVENUE            | -                | -                | 7,500            | <b>4,000</b>                 |                  |            |
| <b>Total Administration Revenue</b> | <b>401,817</b>   | <b>516,645</b>   | <b>606,821</b>   | <b>887,843</b>               |                  |            |
| <b>Parks Revenue</b>                |                  |                  |                  |                              |                  |            |
| PARK-DONATIONS                      | 101,000          | -                | 100              | <b>300</b>                   |                  |            |
| PARK FUN-RAISER DONATIONS           | -                | 2,887            | 500              | <b>5,500</b>                 |                  |            |
| PARK-KEY DEPOSITS                   | 50               | 75               | 100              | <b>800</b>                   |                  |            |
| PARK-SPECIAL EVENT RENTAL FEE       | 3,500            | 4,350            | 3,000            | <b>5,000</b>                 |                  |            |
| PARK/RECREATION FEES (UB COLL)      | 17               | -                | -                | -                            |                  |            |
| PARK-MISCELLANEOUS                  | 29,844           | 890              | 500              | <b>1,000</b>                 |                  |            |
| <b>TOTAL PARKS REVENUES</b>         | <b>134,411</b>   | <b>8,202</b>     | <b>4,200</b>     | <b>12,600</b>                |                  |            |
| <b>Court Revenue</b>                |                  |                  |                  |                              |                  |            |
| COURT-NUISANCE/PLANNING FINES       | -                | 9,111            | 5,000            | <b>100</b>                   |                  |            |
| COURT-PD FINES                      | 152,806          | 125,388          | 150,000          | <b>170,000</b>               |                  |            |
| <b>TOTAL COURT REVENUES</b>         | <b>152,806</b>   | <b>134,498</b>   | <b>155,000</b>   | <b>170,100</b>               |                  |            |

**GENERAL FUND  
RESOURCES**

RESOURCES-continued

Historical Data

Budget for Next FY 2024-2025

|  | Actual            |                   | Actual YTD       | Proposed By<br>Budget Officer | Approved By<br>Budget<br>Committee | Adopted By<br>Governing<br>Body |
|--|-------------------|-------------------|------------------|-------------------------------|------------------------------------|---------------------------------|
|  | FISCAL            | FISCAL            |                  |                               |                                    |                                 |
| <b>Police Revenue</b>                      |                   |                   |                  |                               |                                    |                                 |
| PD-ALARM PERMITS                           | 5259              | 4902              | 3500             | <b>8000</b>                   |                                    |                                 |
| PD-FINGERPRINTS                            | 280               | 1380              | 750              | <b>2500</b>                   |                                    |                                 |
| PD-TOW FEES                                | 1600              | 1300              | 1600             | <b>1500</b>                   |                                    |                                 |
| PD-REPORTS                                 | 1053              | 1641              | 1650             | <b>2000</b>                   |                                    |                                 |
| PD-MISCELLANEOUS                           | 31525             | 1074              | 1000             | <b>1800</b>                   |                                    |                                 |
| PD-SCHOOL RESOURCE OFFICER                 | 50000             | 50000             | 50000            | <b>75000</b>                  |                                    |                                 |
| PD-COPS OFFICER GRANT                      | 0                 | 0                 | 42000            | <b>42000</b>                  |                                    |                                 |
| PD-GRANTS                                  | 800               | 6406              | 300              | <b>15000</b>                  |                                    |                                 |
| PD-DUII GRANT                              | 412               | 0                 | 0                | <b>0</b>                      |                                    |                                 |
| PD-DONATIONS                               | 600               | 2600              | 1100             | <b>1500</b>                   |                                    |                                 |
| PD-VEST GRANT                              | 0                 | 0                 | 0                | <b>0</b>                      |                                    |                                 |
| <b>TOTAL POLICE REVENUES</b>               | <b>91528</b>      | <b>69303</b>      | <b>101900</b>    | <b>149300</b>                 |                                    |                                 |
| <b>City Council Revenue</b>                |                   |                   |                  |                               |                                    |                                 |
| CELEBRATE MOLALLA                          | 6590              | 7180              | 7500             | <b>13420</b>                  |                                    |                                 |
| NATIVE AMERICAN ART WALK GRANT             | 0                 | 0                 | 0                | <b>0</b>                      |                                    |                                 |
| <b>TOTAL CITY COUNCIL REVENUES</b>         | <b>6590</b>       | <b>7180</b>       | <b>7500</b>      | <b>13420</b>                  |                                    |                                 |
| <b>Planning Revenue</b>                    |                   |                   |                  |                               |                                    |                                 |
| PLANNING FEES                              | 85,803            | 75,975            | 90,000           | <b>60,000</b>                 |                                    |                                 |
| UGB STUDY GRANT                            | -                 | 35,000            | 60,000           | <b>20,000</b>                 |                                    |                                 |
| MCC DONATION                               | -                 | -                 | -                | <b>100,000</b>                |                                    |                                 |
| GRANT - MT HOOD TERRITORY                  | -                 | -                 | -                | <b>100,000</b>                |                                    |                                 |
| <b>TOTAL PLANNING REVENUES</b>             | <b>85,803</b>     | <b>110,975</b>    | <b>150,000</b>   | <b>280,000</b>                |                                    |                                 |
| <b>TOTAL GENERAL FUND REVENUES</b>         | <b>7,033,854</b>  | <b>7,117,878</b>  | <b>6,226,928</b> | <b>7,433,057</b>              |                                    |                                 |
| <b>TOTAL FUND BALANCE</b>                  | <b>3,513,831</b>  | <b>3,636,531</b>  | <b>2,564,850</b> | <b>3,186,088</b>              |                                    |                                 |
| <b>TOTAL ALL GENERAL FUND RESOURCES</b>    | <b>10,547,685</b> | <b>10,754,409</b> | <b>8,791,778</b> | <b>10,619,145</b>             |                                    |                                 |
| <b>TOTAL GENERAL FUND NET</b>              |                   |                   |                  |                               |                                    |                                 |
| <b>TOTAL GENERAL FUND RESOURCES AND FB</b> | <b>10,547,685</b> | <b>10,754,409</b> | <b>8,791,778</b> | <b>10,619,145</b>             |                                    |                                 |
| <b>TOTAL GENERAL FUND REQUIREMENTS</b>     | <b>6,911,155</b>  | <b>7,778,079</b>  | <b>8,791,778</b> | <b>10,619,145</b>             |                                    |                                 |
| <b>TOTAL NET GENERAL FUND</b>              | <b>3,636,530</b>  | <b>2,976,330</b>  | <b>0</b>         | <b>-</b>                      |                                    |                                 |



# Administration Department



The Administration Department is the core functioning unit for the City of Molalla. General Fund Administration includes the City Manager's office, City Recorder's office, Human Resource, and Finance. Administration is where the City connects with the public and provides the organizational and business foundation for the City. This

department provides many external services such as civic leadership, communication, engagement, as well as administrative support, city management, financial management and services, customer service, human resources, records management, risk management, and information technology. A percentage of costs that are recorded to the General Fund are recovered through cost allocations. These percentages are reviewed each fiscal year by the Finance Department.

## City Manager Office

The City Manager works to unite political leadership (City Council) with skilled administrative Staff. The City Manager does this through broad authority to run the City by providing an annual Budget (adopted by Council), hiring Staff (personnel) and provision of public services such as streets, water sanitary sewer, parks, storm drainage, public safety (police), finance administration, etc. (City Charter Chapter VIII, Section 34).

## City Recorders Office

The City Recorder serves as the clerk for the City Council through recording and archiving official records, city proceedings and legislative history of the City of Molalla, and acts as the City's Elections Officer. The Recorder also provides internal support to all City departments regarding record management, legal records, deeds, liens, record requests, risk management, minutes, and decisions for City Council and all Committees and Commissions.

## Finance Department

The Finance Department, under the administrative direction of the City Manager and Finance Director plans, organizes and directs the Finance, Court, Reception, and Utility Billing departments. Finance also provides internal management to Staff responsible for accounting, financial reporting, reception, investments, debt management grants, purchasing, budgeting, general ledger, payroll, personnel, utility billing, court, annual audit, and workers compensation.



## Human Resource Office

Processes payroll and pays all vendors associated with payroll. Researches and stays up to date on all FMLA, BOLI, Paid Leave Oregon, FMLA (Family Medical Leave Act), and current issues affecting staffing and payroll, job recruiting, employment listings, and processes all new hires. Also works with our insurance company to process Risk Management.

### Activity Measures from Last Year, with Performance Percentage From Prior Year

| Activity Measures               | FY 2020-21 | FY 2021-22 | FY 2022-23 Projected | Did the City Meet Estimates? | Performance Percentage | FY 2023-24 Projected |
|---------------------------------|------------|------------|----------------------|------------------------------|------------------------|----------------------|
| City Council Meetings           | 17         | 21         | 23                   | Yes - 23                     | 100%                   | 24                   |
| City Council Executive Sessions | 13         | 7          | 10                   | No - 8                       | 80%                    | 10                   |
| URA Meetings & Work sessions    | 18         | 21         | 20                   | No - 19                      | 95%                    | 20                   |
| Resolutions Adopted             | 19         | 22         | 18                   | Yes - 35                     | 194%                   | 25                   |
| Ordinance Adopted               | 12         | 8          | 10                   | No - 8                       | 80%                    | 10                   |
| Public Records Requests         | 32         | 67         | 70                   | No - 46                      | 66%                    | 50                   |

### Explanation of Significant Budget Variances

2025 Adopted Budget vs 2024 Projected Actual

- The administration budget increased \$194,320 all positions are now filled.

### Summary of Explanations Above

The General Fund was able to transfer money into the fleet fund for Police and Parks this year. Last year the decision was made to hold off and save due to current economic climates.

### Goals for 2025

- ✓ Continue to prepare and issue an ACFR (Annual Comprehensive Financial Report) for submission to the GFOA.
- ✓ To Prepare a PAFR and become a Triple Crown award recipient through the OGFOA.

### 2024 Accomplishments

- ✓ Received GFOA Distinguished Budget award for a 5<sup>th</sup> year.

**Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Participates and sponsors Celebrate Molalla.
- Participates in Town Halls.

Engage youth:

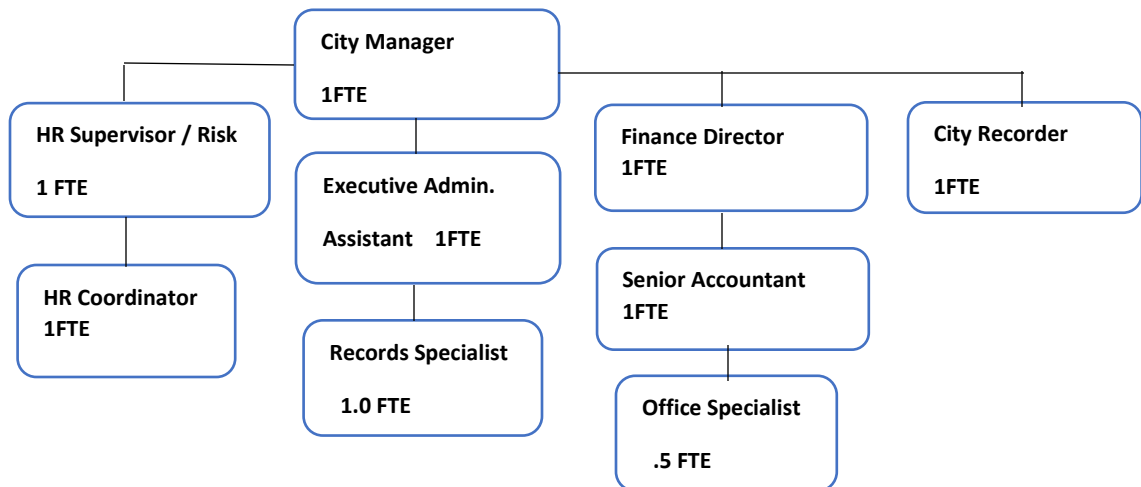
- Participated in the Career Fair at Molalla High School to encourage professional development.

**Staffing**

|   | FY 2021-22 | FY 2022-23 | FY 2023-24 Budgeted | FY 2024-25 Budgeted |
|---|------------|------------|---------------------|---------------------|
| <b>City Manager</b>                     | 1          | 1          | 1                   | 1                   |
| <b>Finance Director</b>                 | 1          | 1          | 1                   | 1                   |
| <b>Senior Accountant</b>                | 1          | 1          | 1                   | 1                   |
| <b>Exec Admin Assistant</b>             | .5         | 1          | 1                   | 1                   |
| <b>Finance Accountant</b>               | 0          | 1          | 0                   | 0                   |
| <b>HR Coordinator</b>                   | 1          | 1          | 1                   | 1                   |
| <b>HR Supervisor/Risk</b>               |            | 1          | 1                   | 1                   |
| <b>City Recorder</b>                    | 1          | 1          | 1                   | 1                   |
| <b>OSIV – Office Specialist Finance</b> |            |            |                     | .5                  |
| <b>OSIV – Records Specialist</b>        |            |            |                     | 1                   |

**Changes to staffing from Prior Year**

- Filled the HR Supervisor / Risk position.
- Added a 1.5 FTE to Assist with records retention and front reception under Finance.



| <b>GENERAL FUND<br/>ADMINISTRATION</b> | <b>Historical Data</b> |                  |                  | <b>Budget for FY 2024-2025</b> |                             |                   |
|--|------------------------|------------------|------------------|--------------------------------|-----------------------------|-------------------|
|  | <b>2021-2022</b>       | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b>               | <b>2024-2025</b>            | <b>2024-2025</b>  |
|  | <b>FISCAL</b>          | <b>FISCAL</b>    | <b>FISCAL</b>    | <b>PROPOSED BY</b>             | <b>APPROVED BY</b>          | <b>ADOPTED BY</b> |
|  | <b>Actual</b>          | <b>Actual</b>    | <b>Budget</b>    | <b>Budget<br/>Officer</b>      | <b>Budget<br/>Committee</b> | <b>Council</b>    |
| <b>PERSONNEL SERVICES</b>              |                        |                  |                  |                                |                             |                   |
| BENEFITS AND TAXES                     | 294,085                | 339,126          | 287,587          | <b>391,011</b>                 |                             |                   |
| SALARIES AND WAGES                     | 612,727                | 654,037          | 712,558          | <b>835,187</b>                 |                             |                   |
| <b>TOTAL PERSONAL SERVICES</b>         | <b>906,812</b>         | <b>993,163</b>   | <b>1,000,145</b> | <b>1,226,198</b>               |                             |                   |
| <b>FTE</b>                             | <b>7.00</b>            | <b>7.00</b>      | <b>7.50</b>      | <b>8.50</b>                    |                             |                   |
| <br>                                   |                        |                  |                  |                                |                             |                   |
| <b>MATERIALS &amp; SERVICES</b>        |                        |                  |                  |                                |                             |                   |
| POWER                                  | 4,943                  | 4,108            | 5,000            | <b>8,650</b>                   |                             |                   |
| PHONE                                  | 16,475                 | 16,612           | 17,000           | <b>13,000</b>                  |                             |                   |
| OPERATIONS & MAINTENANCE               | 26,685                 | 20,392           | 20,000           | <b>45,000</b>                  |                             |                   |
| BUILDING MAINTENANCE                   | 6,353                  | 6,939            | 6,000            | <b>15,000</b>                  |                             |                   |
| TRAINING & CONF. TRAVEL                | 6,382                  | 10,983           | 12,500           | <b>15,000</b>                  |                             |                   |
| DUES & MEMBERSHIP                      | 11,217                 | 11,929           | 12,500           | <b>16,000</b>                  |                             |                   |
| POSTAGE                                | 3,340                  | 636              | 3,700            | <b>7,000</b>                   |                             |                   |
| PRINTING & PUBLICATIONS                | 585                    | 2,031            | 500              | <b>250</b>                     |                             |                   |
| PROFESSIONAL SERVICES                  | 14,691                 | 1,537            | 8,000            | <b>3,000</b>                   |                             |                   |
| INSURANCE/LIABILITY/GEN                | 20,164                 | 26,582           | 29,000           | <b>28,400</b>                  |                             |                   |
| PARK-KEY DEPOSIT REFUNDS               | -                      | 25               | -                | -                              |                             |                   |
| CUSTODIAN                              | 5,214                  | 7,167            | 6,500            | <b>13,700</b>                  |                             |                   |
| CUSTODIAL SUPPLIES                     | -                      | -                | -                | -                              |                             |                   |
| OFFICE SUPPLIES                        | 4,878                  | 6,887            | 12,000           | <b>12,000</b>                  |                             |                   |
| CITY ATTORNEY                          | 8,274                  | 2,771            | 12,500           | <b>5,000</b>                   |                             |                   |
| COMPUTER SERVICES                      | 46,359                 | 47,358           | 50,000           | <b>91,000</b>                  |                             |                   |
| EMERGENCY MANAGEMENT                   | -                      | -                | 10,000           | -                              |                             |                   |
| RECORDS MANAGEMENT                     | 13,856                 | 17,352           | 14,000           | <b>16,500</b>                  |                             |                   |
| AUDITS & BUDGETS                       | 32,921                 | 40,626           | 41,600           | <b>37,100</b>                  |                             |                   |
| MEETINGS                               | -                      | -                | -                | -                              |                             |                   |
| CASH, OVER/SHORT                       | (0)                    | 105              | -                | -                              |                             |                   |
| GRANT-ARP#1                            | 927,890                | 424,598          | 97,533           | -                              |                             |                   |
| GRANT-CRF-PARKS                        | 87,303                 | -                | -                | -                              |                             |                   |
| <b>TOTAL MATERIALS &amp; SERVICES</b>  | <b>1,237,529</b>       | <b>648,639</b>   | <b>358,333</b>   | <b>326,600</b>                 |                             |                   |

Continued

**GENERAL FUND  
ADMINISTRATION**

|  | Historical Data  |                  |                  | Budget for FY 2024-2025          |                                    |                       |
|--|------------------|------------------|------------------|----------------------------------|------------------------------------|-----------------------|
|  | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                        | 2024-2025                          | 2024-2025             |
|  | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| <b>CAPITAL OUTLAY</b>                        |                  |                  |                  |                                  |                                    |                       |
| CAPITAL IMPROVEMENTS                         | 294,054          | 17,374           | -                | -                                |                                    |                       |
| <b>TOTAL CAPITAL OUTLAY</b>                  | <b>294,054</b>   | <b>17,374</b>    | <b>-</b>         | <b>-</b>                         |                                    |                       |
| <b>TRANSFERS OUT</b>                         |                  |                  |                  |                                  |                                    |                       |
| TRANSFER TO CAPITAL-ARPA                     | -                | 547,479          | -                | -                                |                                    |                       |
| TRANSFER TO FLEET REPLACEME                  | -                | -                | -                | -                                |                                    |                       |
| TRANSFER CAPITAL                             | -                | 611,397          | -                | -                                |                                    |                       |
| <b>TOTAL TRANSFERS OUT</b>                   | <b>-</b>         | <b>1,158,876</b> | <b>-</b>         | <b>-</b>                         |                                    |                       |
| <b>CONTINGENCY</b>                           |                  |                  |                  |                                  |                                    |                       |
| OPERATING CONTINGENCY                        | -                | -                | 1,500,000        | <b>1,500,000</b>                 |                                    |                       |
| <b>TOTAL OPERATING CONTINGENCY</b>           | <b>-</b>         | <b>-</b>         | <b>1,500,000</b> | <b>1,500,000</b>                 |                                    |                       |
| <b>FUND BALANCE/RESERVES</b>                 |                  |                  |                  |                                  |                                    |                       |
| FB RESERVE/PERS                              | -                | -                | 25,000           | <b>5,000</b>                     |                                    |                       |
| FB RESERVE                                   | -                | -                | 828,250          | <b>759,579</b>                   |                                    |                       |
| RESERVE/PLANNING DIGITAL SVC                 | -                | -                | 25,000           | -                                |                                    |                       |
| <b>TOTAL RESERVES</b>                        | <b>-</b>         | <b>-</b>         | <b>878,250</b>   | <b>764,579</b>                   |                                    |                       |
| <b>TOTAL ADMINISTRATION<br/>REQUIREMENTS</b> | <b>2,438,395</b> | <b>2,818,052</b> | <b>3,736,728</b> | <b>3,817,377</b>                 |                                    |                       |

# Police Department



The 2024-2024 budget for the Molalla Police Department reflects the growing need to train and equip our officers. We are currently at comfortable staffing levels, and this is reflected in the superior service that is being provided to the community. With these great staffing levels comes the need to constantly train and evolve our police department. We have several officers in specialty units that require advanced training and certifications. With a growing police department also comes the need for equipment replacement and upgrades including vehicles, radios and specialty equipment. This budget reflects building on the department's

infrastructure as well as staying in line with state standards and best practices.

The police department has had many great accomplishments during this fiscal year that would not have been possible without support from all city departments as well as the community and taxpayers. Last November the voters in Molalla approved a general obligation bond and the city is moving full steam ahead on building a state of the art, fiscally responsible police facility. The police department has also started and successfully implemented a drone program as well as a police canine program. Due to the time it takes to hire, train and deploy a police officer we still haven't seen full staffing come to fruition. However, that is expected to happen this summer, and this will give us the option of branching out to other specialized units that will benefit the community.

The next year is going to be a very exciting year for the police department and community. Construction for the new police department is anticipated to start in the fall of 2024 with a completion date in fall of 2025. This facility is a much-needed project not only for the police department but also for the community.

The goals and accomplishments would not have been successful without the hard work from all departments within the city as well as the support from our community.

## Activity Measures from Last year, with Performance Percentage from prior year.

|                          | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23<br>Projected | Did Police<br>Department<br>Meet<br>Expectations | Performance<br>Percentage | FY<br>2023-24<br>Projected |
|--------------------------|---------------|---------------|----------------------------|--|---------------------------|----------------------------|
| Offenses                 | 1123          | 1229          | 1170                       | Yes 1205   | <b>103%</b>               | 1200                       |
| Citations (Not Warnings) | 721           | 673           | 700                        | No 433   | <b>62%</b>                | 500                        |
| Arrests                  | 212           | 402           | 400                        | No 349   | <b>87%</b>                | 400                        |

## **Explanation of Significant Budget Changes**

2025 Adopted Budget vs, 2024 Projected Actual

- Materials and services decreased by \$6,930
- Clackamas County Radio's were paid in full.
- Transfer to Fleet Fund

## **Summary of Explanations above**

After conserving reserves last FY the Police Department was able to increase their budget and transfer money to their fleet fund. The Clackamas County radios were expected to be paid in the 22/23 budget, but the invoice was sent in the 23/24 FY. This was not anticipated but due to savings made in last year's budget the Police Department was able to make the payment.

## **Goals for 2025**

- ✓ Successfully pass a bond for a New Police Facility.
- ✓ Reach 90% completion of the New Police Facility.
- ✓ Hire (2) additional officers to proactively serve the community.
- ✓ Have an active role in specialty units, SWAT, Crisis Negotiation Team, Threat Assessment Team, Interagency Taskforce, etc.

## **2024 Accomplishments**

- ✓ Fully implemented our body worn cameras.
- ✓ Secured architectural firm that has expertise in police facilities.

## **Goals Aligned with Visioning**

Develop the physical infrastructure needed to support a welcoming community.

- By adding a Code Compliance Officer there is a more proactive and less reactive approach to neighborhood livability issues.
- Hired 2 additional police officers to keep up with the growth of the city. Also allows for more participation in specialized units, having a direct benefit and impact on the citizens of the city.

Foster socially welcoming activities and embrace diversity as our strength.

- National Night Out first Tuesday in August. Embracing welcoming activities and community strength. Full public introduction of K9 Benz and drone program.
- Participate in Celebrate Molalla 2024. Provide engaging activities and welcome questions.
- Be present and participate in Annual Spring Clean-Up, drug takeback/drop off.

Engage youth

- Participated at the job fair with Molalla High School to encourage professional development.
- Join Clarke's Elementary School on their career day.
- Elementary and high school career and wellness presentations.
- Be an active presence at home high school sporting events and dances.
- Continue to lead, participate, and ensure safety in the Kiddie Parade during 4<sup>th</sup> of July festivities.



- Donate “K9 Benz Baskets” in school fundraising support, including “Lunch with an Officer” or meet and greets with K9 Benz.
- (1) Full Time School Resource Officer

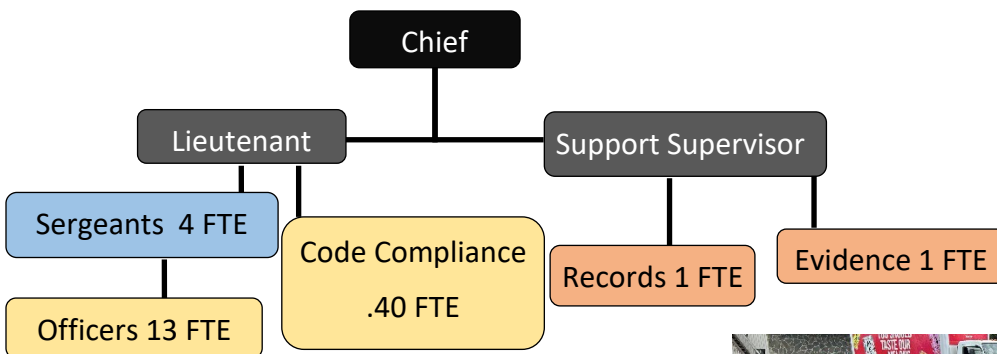


## Staffing

|                 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 | FY<br>2023-24 | FY<br>2024-25 |
|-----------------|---------------|---------------|---------------|---------------|---------------|
| Full Time FTE's | 18.5          | 19.0          | 20.0          | 22.4          | 22.4          |

### Change from Prior Year

- Addition of 2 new officers
- Addition of Code Compliance Officer shared Position with Community Development .40





| <b>GENERAL FUND<br/>POLICE</b>        | <b>Historical Data</b> |                  |                  | <b>Budget for FY 2024-2025</b> |                             |                   |
|---------------------------------------|------------------------|------------------|------------------|--------------------------------|-----------------------------|-------------------|
|                                       | <b>2021-2022</b>       | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b>               | <b>2024-2025</b>            | <b>2024-2025</b>  |
|                                       | <b>FISCAL</b>          | <b>FISCAL</b>    | <b>FISCAL</b>    | <b>PROPOSED BY</b>             | <b>APPROVED BY</b>          | <b>ADOPTED BY</b> |
|                                       | <b>Actual</b>          | <b>Actual</b>    | <b>Budget</b>    | <b>Budget<br/>Officer</b>      | <b>Budget<br/>Committee</b> | <b>Council</b>    |
| <b>PERSONNEL SERVICES</b>             |                        |                  |                  |                                |                             |                   |
| BENEFITS AND TAXES                    | 867,044                | 1,133,662        | 1,045,041        | 1,158,123                      |                             |                   |
| SALARIES AND WAGES                    | 1,710,740              | 1,832,950        | 2,100,123        | 2,553,127                      |                             |                   |
| <b>TOTAL PERSONAL SERVICES</b>        | <b>2,577,784</b>       | <b>2,966,611</b> | <b>3,145,164</b> | <b>3,711,250</b>               |                             |                   |
| <b>FTE</b>                            | <b>19.00</b>           | <b>20.00</b>     | <b>22.40</b>     | <b>22.40</b>                   |                             |                   |
| <br>                                  |                        |                  |                  |                                |                             |                   |
| <b>MATERIALS &amp; SERVICES</b>       |                        |                  |                  |                                |                             |                   |
| POWER                                 | 5,701                  | 9,394            | 11,000           | 7,800                          |                             |                   |
| PHONE                                 | 17,689                 | 22,133           | 25,000           | 25,000                         |                             |                   |
| CONNECTIVITY/INTERNET                 | 61,817                 | 65,337           | 70,000           | 53,500                         |                             |                   |
| OPERATIONS & MAINTENANCE              | 18,317                 | 12,102           | 18,000           | 20,000                         |                             |                   |
| BUILDING MAINTENANCE                  | 1,613                  | 3,372            | 2,100            | 1,500                          |                             |                   |
| TRAINING & CONF. TRAVEL               | 22,832                 | 20,596           | 25,000           | 30,000                         |                             |                   |
| DUES & MEMBERSHIP                     | 1,796                  | 2,164            | 3,500            | 6,000                          |                             |                   |
| POSTAGE                               | 1,176                  | 673              | 1,000            | 1,000                          |                             |                   |
| CONTRACTS & OBLIGATIONS               | 59,475                 | 73,395           | 85,000           | 50,000                         |                             |                   |
| PROFESSIONAL SERVICES                 | 1,427                  | 6,048            | 5,500            | 20,000                         |                             |                   |
| INSURANCE/LIABILITY/GEN               | 39,313                 | 46,519           | 50,706           | 55,776                         |                             |                   |
| VEHICLE FUEL                          | 67,474                 | 70,331           | 80,000           | 90,000                         |                             |                   |
| VEHICLE REPAIR                        | 29,112                 | 24,701           | 35,000           | 30,000                         |                             |                   |
| UNIFORMS                              | 16,524                 | 22,109           | 18,000           | 20,000                         |                             |                   |
| JANITOR                               | 11,004                 | 15,302           | 16,000           | 12,000                         |                             |                   |
| OFFICE SUPPLIES                       | 2,592                  | 859              | 1,200            | 1,000                          |                             |                   |
| CENTRAL DISPATCH                      | 122,205                | 136,200          | 135,000          | 153,000                        |                             |                   |
| LEGAL SERVICES                        | 2,897                  | 3,313            | 5,000            | 3,500                          |                             |                   |
| OFFICE MACHINES & MAINT               | 3,674                  | 3,682            | 4,000            | 4,000                          |                             |                   |
| FIREARMS                              | 15,972                 | 18,008           | 18,000           | 18,000                         |                             |                   |
| COMPUTER SVC,REP & UPGRADES           | 12,017                 | 104,369          | 25,000           | 25,000                         |                             |                   |
| SUPPLIES / EQUIPMENT                  | 38,190                 | 15,842           | 40,000           | 40,000                         |                             |                   |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>552,815</b>         | <b>676,447</b>   | <b>674,006</b>   | <b>667,076</b>                 | -                           |                   |

Continued

**GENERAL FUND  
POLICE**

|                                  | Historical Data  |                  |                  | Budget for FY 2024-2025          |                                    |                       |
|----------------------------------|------------------|------------------|------------------|----------------------------------|------------------------------------|-----------------------|
|                                  | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                        | 2024-2025                          | 2024-2025             |
|                                  | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| <b>CAPITAL OUTLAY</b>            |                  |                  |                  |                                  |                                    |                       |
| POLICE CAPITAL PROJECTS          | -                | -                |                  | 189,700                          |                                    |                       |
| <b>TOTAL CAPITAL OUTLAY</b>      | -                | -                | -                | <b>189,700</b>                   | -                                  |                       |
| <b>TRANSFERS OUT</b>             |                  |                  |                  |                                  |                                    |                       |
| TRANSFER TO CAP PROJECTS-PD      | 500,000          | 500,000          | -                | -                                | -                                  |                       |
| TRANSFER TO POLICE FLEET RES     | 70,000           | 110,000          | -                | 100,000                          |                                    |                       |
| <b>TOTAL TRANSFERS OUT</b>       | <b>570,000</b>   | <b>610,000</b>   | -                | <b>100,000</b>                   | -                                  |                       |
| <b>TOTAL POLICE REQUIREMENTS</b> | 3,700,599        | 4,253,059        | 3,819,170        | <b>4,668,026</b>                 | -                                  | -                     |

## Municipal Court Department



The Molalla Municipal Court is a service to our community and as such it is important that our staff be available to answer the needs of the public. Court sessions are held on Tuesday mornings at the new Molalla Civic Center located at 315 Kennel Avenue, Molalla, OR 97038, while the Court office is located inside City Hall.

Municipal Court for the City of Molalla constitutes the City's chartered judicial tribunal and hears cases arising under the [Molalla Municipal Code](#), the Oregon Vehicle Code, all misdemeanor charges, both traffic and non-traffic, and most recently driving under the influence of intoxicants (DUII) crimes.

The court continues to hold sessions on Tuesday mornings, with traffic violation matters beginning at 8:30 am, bench trials at 9:30 am, and criminal matters beginning at 10:00 am. The addition of the city's new Code Enforcement Officer has prompted a need to make regular room on the court docket for the increased number of municipal code violation matters. Additional days are added in the month as needed for court jury trials. Please refer to the court calendar. [Go Here!](#) For information regarding the court about fines, parking, forms, payment options, etc. [Go Here!](#) For more detailed information.

## Activity Measures from Last Year, with Performance Percentages from prior year.

| Activity Measures   | FY 2021-22 | FY 2022-23 | Did the Court Meet Expectations? (FY 2022-23) | Performance Percentage | FY 2023-24 Projected |
|---|------------|------------|---|------------------------|----------------------|
| Misc. Violations<br>(MIP Alcohol/<br>Tobacco/MJ, Bikes,<br>Parking, etc.) | 6          | 4          | NO - 4  | -60%                   | 4                    |
| Ordinance   | 4          | 4          | Yes - 4                                       | 100%                   | 4                    |
| Misdemeanor   | 165        | 160        | YES 181                                       | 13.125%                | 160                  |
| Traffic   | 512        | 520        | YES - 584                                     | 12.308%                | 520                  |

## **Explanations of Significant Budget Variances**

### 2025 Adopted Budget vs, 2024 Projected Actual

- Budgeted revenues have begun to increase as the economy recovers from hardships caused by the COVID-19 pandemic and changes in state law.
- Molalla Police Department has started participating in county-wide interagency traffic missions generating more income from both in-jurisdiction citations and out-of-jurisdiction citations.

### **Summary of Explanations above**

The court revenue has seen an increase as the economy improves and more people become employed. The court continues to take a conservative approach to spending this fiscal year.

### **Goals for 2024-25**

- ✓ Along with the code enforcement officer, work on modifications to the municipal code needed for the municipal judge to effectively adjudicate code enforcement matters through the Molalla Municipal Court.
- ✓ Support our in-house Spanish interpreter in becoming court-certified by the state of Oregon to assist with more complex court cases.

### **2023-24 Accomplishments**

- ✓ Completed clean up of database of uncollectable cases (20+ years old).
- ✓ Added security cameras in the courtroom for safety of all personnel and visitors.
- ✓ Started the process of adding improvements to the municipal code that enables the Municipal Court to effectively adjudicate municipal code violations.

### **Goals Aligned with Visioning**

Develop the physical infrastructure needed to support a welcoming community.

- Implementing an in-person Spanish interpreter for those who need a clear understanding of their complex court cases.

Foster socially welcoming activities and embrace diversity as our strength.

- The court offers a phone interpreter service, when needed, handling cases in the courtroom, at the court counter, and via phone. The interpreter service provides a wide array of languages they can handle, including ASL via video. So far, we've utilized the Spanish, Russian, and ASL interpreters.

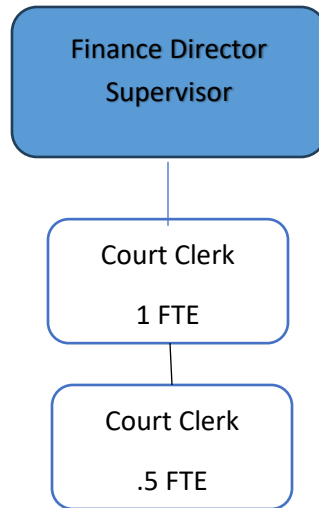
Engage youth.

- Encourage diversion programs and educational classes as substitutes for convictions when youth find themselves in court to promote educational opportunities and keep their records clean.

| Full Time FTE's | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 Projected |
|-----------------|------------|------------|------------|------------|----------------------|
|                 |            |            |            |            |                      |
| Court Clerk     | .75        | 1.0        | 1.0        | 1.0        | 1.0                  |
| OSIV            |            |            |            | .5         | .5                   |

## Staffing

The Judge and Prosecutor are under Contract.



| <b>GENERAL FUND<br/>COURT</b>         | <b>Historical Data</b> |                  |                  | <b>Budget for FY 2024-2025</b> |                    |                   |
|---------------------------------------|------------------------|------------------|------------------|--------------------------------|--------------------|-------------------|
|                                       | <b>2021-2022</b>       | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b>               | <b>2024-2025</b>   | <b>2024-2025</b>  |
|                                       | <b>FISCAL</b>          | <b>FISCAL</b>    | <b>FISCAL</b>    | <b>PROPOSED BY</b>             | <b>APPROVED BY</b> | <b>ADOPTED BY</b> |
|                                       | <b>Actual</b>          | <b>Actual</b>    | <b>Budget</b>    | <b>Budget</b>                  | <b>Budget</b>      | <b>Council</b>    |
|                                       |                        |                  | <b>Officer</b>   | <b>Committee</b>               |                    |                   |
| <b>PERSONNEL SERVICES</b>             |                        |                  |                  |                                |                    |                   |
| BENEFITS AND TAXES                    | 35,773                 | 46,381           | 35,908           | <b>58,668</b>                  | -                  | -                 |
| SALARIES AND WAGES                    | 66,022                 | 63,587           | 67,277           | <b>97,262</b>                  | -                  | -                 |
| <b>TOTAL PERSONAL SERVICES</b>        | <b>101,795</b>         | <b>109,968</b>   | <b>103,185</b>   | <b>155,930</b>                 | -                  | -                 |
| <b>FTE</b>                            | <b>1.00</b>            | <b>1.00</b>      | <b>1.50</b>      | <b>1.50</b>                    |                    |                   |
| <b>MATERIALS &amp; SERVICES</b>       |                        |                  |                  |                                |                    |                   |
| POWER                                 | 570                    | 447              | 1,000            | -                              |                    |                   |
| PHONE/COMPUTER/CONNECTIVITY           | 7,065                  | 6,299            | 7,000            | <b>9,000</b>                   |                    |                   |
| OPERATIONS & MAINTENANCE              | 3,920                  | 3,703            | 2,950            | <b>2,900</b>                   |                    |                   |
| BUILDING MAINTENANCE                  | 18                     | 751              | 850              | <b>2,500</b>                   |                    |                   |
| TRAINING & CONF. TRAVEL               | 1,152                  | -                | 1,000            | <b>1,500</b>                   |                    |                   |
| DUES & MEMBERSHIP                     | 327                    | -                | 50               | -                              |                    |                   |
| POSTAGE                               | 417                    | 229              | 400              | -                              |                    |                   |
| PRINTING & PUBLICATIONS               | 110                    | -                | 100              | -                              |                    |                   |
| PROFESSIONAL SERVICES                 | 60,308                 | 79,340           | 88,000           | <b>90,000</b>                  |                    |                   |
| INSURANCE/LIABILITY/GEN               | 2,792                  | 4,430            | 5,000            | <b>1,160</b>                   |                    |                   |
| JANITOR                               | 2,129                  | 960              | 1,000            | <b>720</b>                     |                    |                   |
| OFFICE SUPPLIES                       | 1,063                  | 1,378            | 500              | <b>1,300</b>                   |                    |                   |
| COURT APPOINTED ATTORNEY              | 9,450                  | 18,314           | 11,500           | <b>20,000</b>                  |                    |                   |
| COMPUTER SERVICES                     | 349                    | -                | 250              | -                              |                    |                   |
| BAIL REFUND                           | -                      | -                | 250              | -                              |                    |                   |
| CLACKAMAS COUNTY                      | 1,285                  | -                | -                | -                              |                    |                   |
| OS AGENCY FINES DUE                   | 300                    | 2,815            | 200              | <b>1,000</b>                   |                    |                   |
| SECURITY                              | -                      | -                | 9,500            | <b>8,500</b>                   |                    |                   |
| VICTIM RESTITUTION                    | 1,127                  | 143              | 250              | <b>25</b>                      |                    |                   |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>92,382</b>          | <b>118,809</b>   | <b>129,800</b>   | <b>138,605</b>                 | -                  | -                 |
| <b>TOTAL COURT</b>                    | <b>194,176</b>         | <b>228,777</b>   | <b>232,985</b>   | <b>294,535</b>                 |                    |                   |
| <b>REQUIREMENTS</b>                   |                        |                  |                  |                                |                    |                   |

## City Council Department

The City Council consists of the Mayor and six Councilors. This duly elected body serves the City of Molalla as the highest-ranking elected body within the Molalla city limits. Council provides input and governance over policy, approval of certain contracts, goal setting, adopting the annual budget, employing the City Manager and Municipal Court Judge and offers guidance to ensure and establish rules and regulations for the City of Molalla. Council meetings are held the second and fourth Wednesday of each month. Council meeting agendas, minutes, and videos can be found on the City of Molalla website or [Go, HERE!](#) for more information.

## City Council Members

If you could like additional information on council members or would like to get in touch with them, please refer to the City of Molalla's website or [Go, HERE!](#)

### Members

- [Scott Keyser, Mayor](#)
- [Jody Newland, Council President](#)
- [Leota Childress](#)
- [Terry Shankle](#)
- [Eric Vermillion](#)
- [RaeLynn Botsford](#)



| <b>GENERAL FUND<br/>COUNCIL</b>              | <b>Historical Data</b> |                  |                  | <b>Budget for FY 2024-2025</b> |                             |                   |
|--|------------------------|------------------|------------------|--------------------------------|-----------------------------|-------------------|
|  | <b>2021-2022</b>       | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b>               | <b>2024-2025</b>            | <b>2024-2025</b>  |
|  | <b>FISCAL</b>          | <b>FISCAL</b>    | <b>FISCAL</b>    | <b>PROPOSED BY</b>             | <b>APPROVED BY</b>          | <b>ADOPTED BY</b> |
|  | <b>Actual</b>          | <b>Actual</b>    | <b>Budget</b>    | <b>Budget<br/>Officer</b>      | <b>Budget<br/>Committee</b> | <b>Council</b>    |
| <b>PERSONNEL SERVICES</b>                    |                        |                  |                  |                                |                             |                   |
| MAYOR & COUNCIL                              | -                      | -                | -                | <b>13,200</b>                  |                             |                   |
| OR PAID LEAVE                                | -                      | -                | -                | <b>50</b>                      |                             |                   |
| FICA   | -                      | -                | -                | <b>1,010</b>                   |                             |                   |
| SAIF   | -                      | -                | -                | <b>100</b>                     |                             |                   |
| RETIREMENT                                   | -                      | -                | -                | <b>2,051</b>                   |                             |                   |
| <b>TOTAL PERSONAL SERVICES</b>               | <b>-</b>               | <b>-</b>         | <b>-</b>         | <b>16,411</b>                  |                             |                   |
| <b>FTE</b>                                   | <b>-</b>               | <b>-</b>         | <b>-</b>         | <b>2.24</b>                    |                             |                   |
| <b>MATERIALS &amp; SERVICES</b>              |                        |                  |                  |                                |                             |                   |
| OPERATIONS & MAINTENANCE                     | 1,347                  | 2,330            | 2,500            | <b>3,200</b>                   |                             |                   |
| TRAINING                                     | 4,623                  | 5,022            | 6,000            | <b>13,000</b>                  |                             |                   |
| DUES & MEMBERSHIP                            | 414                    | 689              | 500              | <b>650</b>                     |                             |                   |
| POSTAGE                                      | -                      | 3                | 50               | -                              |                             |                   |
| LEGAL SERVICES                               | -                      | 3,105            | 1,100            | -                              |                             |                   |
| VISIONING GRANT                              | 575                    | 2,060            | 23,060           | <b>20,529</b>                  |                             |                   |
| CELEBRATE MOLALLA                            | 16,143                 | 3,139            | 4,000            | <b>7,500</b>                   |                             |                   |
| BANNER PROJECT                               | 8,105                  | 5,775            | 6,500            | <b>6,500</b>                   |                             |                   |
| MEETINGS AND STIPENDS                        | 13,155                 | 16,146           | 20,500           | -                              |                             |                   |
| SPECIAL COUNCIL PROJECTS                     | 1,244                  | 1,460            | 5,600            | <b>750</b>                     |                             |                   |
| <b>TOTAL MATERIALS &amp; SERVICES</b>        | <b>45,605</b>          | <b>39,729</b>    | <b>69,810</b>    | <b>52,129</b>                  |                             |                   |
| <b>TOTAL ADMINISTRATION<br/>REQUIREMENTS</b> | <b>45,605</b>          | <b>39,729</b>    | <b>69,810</b>    | <b>68,540</b>                  |                             |                   |



## Parks Department



The Parks Division is part of the General Fund budget and provides the funding for the staffing, equipment, supplies, and services necessary to operate and maintain city parks and pathways.

Fiscal Year 2023-2024 was another big one for Molalla Parks. First, Pickleball Courts were added at Long Park! With the courts came the need to develop a new bioswale to

properly clean and manage stormwater from the park, additional pathway to ensure proper ADA access to the courts and parks, and replacement of the swing set that was located where the new courts now reside. The swing set replacement also provided an opportunity to upgrade the playground surfacing to meet modern code requirements. Finally, a few dead trees were identified and removed, and the irrigation system was improved/repaired.

Additionally, the new Chief Yelkus Park pre-design studies and concept design were completed, and final civil/architectural design has begun in principle. The City has also submitted a tentative offer to purchase the abandoned railroad right of way through town and is in the process of ascertaining the necessary process to finalize the acquisition through the Federal Surface Transportation Board.

Finally, the Parks Master Plan update is in “full speed ahead” mode. This plan provides policy directives and capital project planning for the next ten years for Molalla Parks.

This year’s Parks budget allocates significant funding to the completion of phase I construction of Chief Yelkus Park with substantial grant funding both awarded and anticipated. Additionally, the Parks budget contains funding for the City’s website overhaul and upgrade, along with the implementation of a new fixed asset and workload management system that will create efficiencies and certainty around Parks maintenance and development. The new website and system do come with annual licensing fees, but the first-year costs are substantially elevated due to costs associated with implementation of the new platforms.



|              | FY 2019-20 | FY 2020-21 | FY 2021-22 Estimate | Parks Meet Estimates | Performance Percentages | FY 2022-24 Estimate |
|--------------|------------|------------|---------------------|----------------------|-------------------------|---------------------|
| Park Rentals | 26         | 15         | 77                  | Yes 101              | 202%                    | 100                 |

## Activity Measures from Last Year, Performance Percentage from prior year.

### Explanation of Significant Budget Variances

FY24/25 Adopted Budget vs FY23/24 Projected Actuals

- Operations & Maintenance increased by \$10,000
- Computer Network increased by \$7,000
- Capital Improvement & Capital Improvement SDC increased by \$1.175 million

### Summary Explanations of Above

Operations & Maintenance is increased to provide funding for brush clearing at the overgrown parkland off of Ona Way & Lowe Road, this is the first stage of pre-design.

Computer Network is proposed to change to Digital Platforms. This funding will be used for the Parks portion of the City website upgrade, and the new fixed asset management platform. These costs will be substantially reduced in future years as the cost of implementation will be experienced this year and is one time only.

Capital Improvement & Capital Improvement SDC has historically been transferred to a Capital Projects Fund but will be direct from Parks this and subsequent fiscal years to comply with best practices and increase efficiency in the accounting process.

All other cost increases are based on inflation and/or rate increases.

### **Goals for FY24/25**

- ✓ Complete phase I development of Chief Yelkus Park
- ✓ Replace Clark Park Pavilion
- ✓ Complete phase I of park security camera installation/upgrade
- ✓ Continue efforts to advance toward purchase of Railroad right of way.
- ✓ Complete Parks Master Plan update and begin implementation of newly adopted Parks Policies
- ✓ Implement new fixed asset management system parks module.
- ✓ Complete brush clearing on the parkland near Ona Way and Lowe Road intersection.

### **FY23/24 Accomplishments**

- ✓ **Long Park:** Constructed 3 new Pickleball Courts! Restored degraded portions of pathway and added additional pathway to ensure ADA access. Removed restroom entryway walls to bolster security. Removed several dead trees. Installed stormwater bioswale to catch, clean, and slowly release stormwater to the public system. Repaired and expanded on-site sprinkler system. Currently in process of upgrading play area pea gravel surfacing to engineered wood fiber (ADA accessible) and placing an updated swing set.
- ✓ **Yelkus Park:** Completed pre-design studies and concept design. Began civil design and applied for 2 grants to help fund construction. Obtained an extension of existing grant funding.
- ✓ **Railroad Path:** Began negotiations to acquire the abandoned railroad right of way for a multi-use path.

### **Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Continue development of at least one park, and/or significant park asset (e.g. Pickleball Courts, Disc Golf Course) each year.

Foster socially welcoming activities and embrace diversity as our strength.

- Ensuring Park upgrades and new park development is accessible, ADA compliant, and multi-lingual.
- Continued development of Yelkus Park as an educational park with culturally focused play options, and educational elements aimed at the natural space and historic culture of Molalla.

Engage youth:

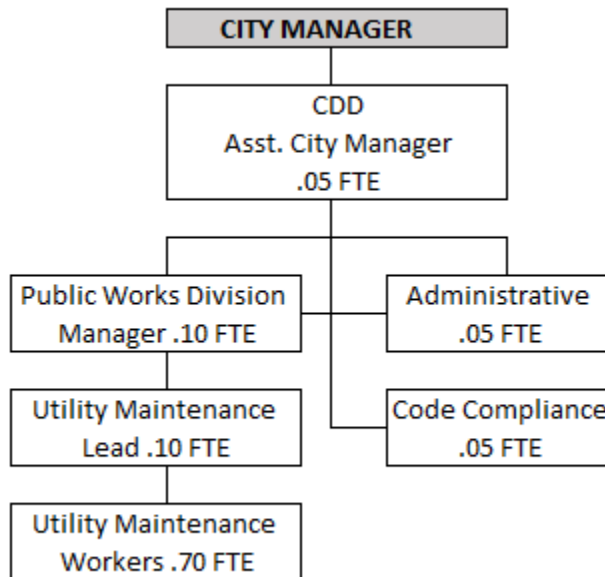
- Participated in the Career Fair at Molalla High School to encourage professional development.
- Assisted in facilitation of 5<sup>th</sup> Grader’s Park design project.
- Facilitated a local youth internship through the Ant Farm.

## Staffing

### Changes from Prior Year Changes from Prior year

- Decreased staffing by .10 FTE.

|                        | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|------------------------|------------|------------|------------|------------|
| <b>Full Time FTE’s</b> | .86        | 1.0        | 1.15       | 1.05       |



| GENERAL FUND                          | Historical Data |                |                | Budget for FY 2024-2025 |             |            |
|---------------------------------------|-----------------|----------------|----------------|-------------------------|-------------|------------|
|                                       | 2021-2022       | 2022-2023      | 2023-2024      | 2024-2025               | 2024-2025   | 2024-2025  |
| PARKS                                 | FISCAL          | FISCAL         | FISCAL         | PROPOSED BY             | APPROVED BY | ADOPTED BY |
|                                       | Actual          | Actual         | Budget         | Budget                  | Budget      | Council    |
|                                       |                 |                |                | Officer                 | Committee   |            |
| <b>PERSONNEL SERVICES</b>             |                 |                |                |                         |             |            |
| BENEFITS AND TAXES                    | 31,603          | 38,443         | 43,837         | <b>43,246</b>           |             |            |
| SALARIES AND WAGES                    | 68,100          | 63,071         | 88,360         | <b>81,021</b>           |             |            |
| <b>TOTAL PERSONAL SERVICES</b>        | <b>99,703</b>   | <b>101,514</b> | <b>132,197</b> | <b>124,267</b>          |             |            |
| <b>FTE</b>                            |                 | <b>1.00</b>    | <b>1.15</b>    | <b>1.05</b>             |             |            |
| <br>                                  |                 |                |                |                         |             |            |
| <b>MATERIALS &amp; SERVICES</b>       |                 |                |                |                         |             |            |
| POWER                                 | 223             | 187            | 250            | <b>1,750</b>            |             |            |
| PHONE                                 | -               | -              | -              | <b>1,490</b>            |             |            |
| NATURAL GAS                           | 97              | 131            | -              | -                       |             |            |
| OPERATIONS & MAINTENANCE              | 44,271          | 23,075         | 30,000         | <b>40,000</b>           |             |            |
| BUILDING MAINTENANCE                  | 795             | 3,697          | 1,500          | <b>2,500</b>            |             |            |
| TRAINING & CERTIFICATES               | 99              | 604            | 650            | <b>750</b>              |             |            |
| DUES & MEMBERSHIP                     | 127             | 53             | 175            | <b>75</b>               |             |            |
| POSTAGE                               | -               | 275            | -              | -                       |             |            |
| COMPUTER NETWORK                      | 1,594           | 1,810          | 2,032          | <b>21,600</b>           |             |            |
| PROFESSIONAL SERVICES                 | 3,129           | 2,400          | 12,000         | <b>2,500</b>            |             |            |
| INSURANCE/LIABILITY/GEN               | 6,653           | 8,861          | 9,665          | <b>10,632</b>           |             |            |
| GAS & VEHICLE MAINTENANCE             | 1,811           | 2,386          | 2,500          | <b>3,000</b>            |             |            |
| VEHICLE REPAIR                        | 4,361           | 1,337          | 2,500          | <b>3,000</b>            |             |            |
| UNIFORM & SAFETY GEAR                 | 772             | 625            | 1,000          | <b>1,200</b>            |             |            |
| SMALL EQUIPMENT/TOOLS                 | 1,210           | 1,227          | 1,000          | <b>1,000</b>            |             |            |
| SIGNS                                 | 482             | 285            | 200            | <b>100</b>              |             |            |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>65,626</b>   | <b>46,954</b>  | <b>63,472</b>  | <b>89,597</b>           |             |            |

*Continued*

| GENERAL FUND<br>PARKS                        | Historical Data  |                  |                  | Budget for FY 2024-2025          |                                    |                       |
|--|------------------|------------------|------------------|----------------------------------|------------------------------------|-----------------------|
|  | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                        | 2024-2025                          | 2024-2025             |
|  | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| <b>CAPITAL OUTLAY</b>                        |                  |                  |                  |                                  |                                    |                       |
| CAPITAL IMPROVEMENTS                         | 69,446           | -                | 262,697          | <b>450,000</b>                   |                                    |                       |
| PARK IMP SDC CAPITAL PROJECTS                | -                | -                | 150,000          | <b>700,000</b>                   |                                    |                       |
| MCC PARK ASSIST CAPITAL PROJ                 | -                | -                | -                | -                                |                                    |                       |
| <b>TOTAL CAPITAL OUTLAY</b>                  | <b>69,446</b>    | <b>-</b>         | <b>412,697</b>   | <b>1,150,000</b>                 |                                    |                       |
| <b>TRANSFERS OUT</b>                         |                  |                  |                  |                                  |                                    |                       |
| TRANSFER TO FLEET REPLACEMENT                | 7,900            | 7,900            | -                | <b>7,900</b>                     |                                    |                       |
| <b>TOTAL TRANSFERS OUT</b>                   | <b>7,900</b>     | <b>7,900</b>     | <b>-</b>         | <b>7,900</b>                     |                                    |                       |
| <b>TOTAL ADMINISTRATION<br/>REQUIREMENTS</b> | <b>242,675</b>   | <b>156,368</b>   | <b>608,366</b>   | <b>1,371,764</b>                 |                                    |                       |

## Planning Division

Planning is a Division of the Community Development Department that administers the zoning and development programs, short and long-range planning programs, Comprehensive Plan implementation program, Economic Development program, facilitation of the Planning Commission, and community outreach.



Despite record inflation, the City has continued to see substantial growth and development focused primarily on the residential sector. So far in FY 23/24 a mixture of multi-family, new single-family, and infill projects have constituted the building permit approvals for 47 new residential units. This comes on the heels of 214 new housing

units approved in FY 22/23. Additionally, staff has marked a recent uptick in development proposals on employment lands and anticipates seeing several new commercial and industrial developments over the year to come. The large number of land use and building actions will continue to impact the division's capacity for several years as the project's payout.

On the Economic Development front in FY23/24, the Planning Division added a great deal of capacity that must now be developed to produce the intended fruits. A new staff member, the Community Development Technician, was added with a 35% focus on economic development and the City was able to partner with Strategic Economic Development Corporation (SEDCOR), a nonprofit that works with private and public partners to enhance and diversify the economy in the Mid-Willamette Valley. Additionally, the Planning Division is currently leading a community and consultant driven effort to complete an Employment Opportunities Analysis and Buildable Lands Inventory. This study will not only provide for a future land need but will help to identify target industries for potential recruitment to Molalla.

The Planning Division staff is also in the process of completing a sequential Urban Growth Boundary (UGB) expansion process to update Molalla's 40-year-old UGB. This is a new process and Molalla is the first to try using it. The first step was a Housing Needs Analysis and Buildable Lands Inventory which was grant funded and completed by staff in FY23/24.



Staff also received three additional grants to complete work that is underway and projected to be complete in FY24/25: Housing Production Strategies (HB2003), Economic Opportunities Analysis and Buildable Lands Inventory, UGB Efficiency Measures, and UGB land study area. All of the foregoing, except HB2003 is part of the sequential UGB process.

This year's budget anticipates all the grant funded planning initiatives mentioned above, plus some additional funding due to inflation, the addition of the code compliance program, and required digital platform upgrades. Most notably, the requirement for all cities to offer digital permitting by January 2025 (HB2415). Finally, this year's budget continues to allocate professional services funds to assist the City's lone planner in development review through Mid-Willamette Valley Council of Governments.

Staff will look closely at the need for an Associate Planner this year as the city’s population continues to rise beyond 10,000.

## Planning Commission

The Planning Commission is comprised of Molalla citizens (with up to two out of town members) that make quasi-judicial land use decisions, make recommendations to the City Council on land use legislation, and provide a community voice on long-term planning initiatives.

Planning Commissioners serve 4-year terms and are appointed by the Mayor with consent of the Council. If you are interested in filling a planning commission vacancy please watch the City’s FB feed and newsletter for announcements when a seat opens. To qualify, applicants must be U.S. citizens and submit a [completed \*Application for Appointment to a Citizen Committee\*](#). Forms are also available at City Hall. Each applicant shall include a brief statement of why you wish to serve on the Planning Commission. Applicants may include a resume with their applications. Appointments to the Planning Commission will be made by the Mayor.

Planning Commissioners and City Councilors are required to fill out a [Statement of Economic Interest](#) on or before April 15th of each calendar year.

Planning Commission Meetings are scheduled on the first Wednesday of each month.

Current Roster:

- **Doug Eaglebear, Chair** - [deaglebear@cityofmolalla.com](mailto:deaglebear@cityofmolalla.com)
- **Jennifer Satter** - [jsatter@cityofmolalla.com](mailto:jsatter@cityofmolalla.com)
- **Connie Sharp** - [csharp@cityofmolalla.com](mailto:csharp@cityofmolalla.com)
- **Bradey Rickey** – [brickey@cityofmolalla.com](mailto:brickey@cityofmolalla.com)
- **Clint Ancell** - [cancell@cityofmolalla.com](mailto:cancell@cityofmolalla.com)
- **Darci Lightner** – [dlightner@cityofmolalla.com](mailto:dlightner@cityofmolalla.com)
- **Martin Ornelas** - [mornelas@cityofmolalla.com](mailto:mornelas@cityofmolalla.com)

## Activity Measures from Prior Year

| Planning Measures Processed                         | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|
| # of all land use decisions & authorizations issued | 89   | 149  | 157  | 126  |
| # of Single-Family Units Permitted                  | 12   | 22   | 3    | 8    |
| # of Multi-Family Units Permitted                   | 36   | 0    | 211  | 40   |
| # of Commercial and Industrial Units Permitted      | 6    | 1    | 2    | 5    |



## **Explanation of Significant Budget Variances**

- Increase in Digital Platform Spending
- Increase in Code Compliance Spending

## **Summary of Explanations Above**

- Digital Permitting: New house bill requires the city to provide a digital permitting platform, this year's budget accounts for both the licensing and the setup costs. Will reduce in future years as setup will be complete.
- Code Compliance: This was a new program last year, so it was not budgeted separately from the rest of Planning. Activity Codes were used to keep code compliance costs separate from the rest of the planning. This year's budget responds to the information gathered over 1-year of program operations.

## **Goals for 2025**

- ✓ Implement iWorQ Digital Permitting Platform
- ✓ Complete Employment Opportunities Analysis and Buildable Lands Inventory
- ✓ Assist in development and implementation of new city website.
- ✓ Create Economic Development space on city website to market Molalla to business prospects.
- ✓ Complete Parks Master Plan update
- ✓ Update Park Dedication ordinance.
- ✓ Complete and Adopt Mural code ordinance.
- ✓ Complete training of new Community Development Technician

## **2024 Accomplishments**

- ✓ Awarded 3 Planning Grants for Sequential UGB Process
- ✓ Completed update of Emergency Operations Plan
- ✓ Completed update of National Hazard Mitigation Plan
- ✓ Completed Housing Needs Analysis and Buildable Lands Inventory
- ✓ Completed Civic Center ADA upgrades using CDBG Grant funding.

## **Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Engaged KATU Channel 2 to Feature the Molalla Buckeroo on their Morning Show and other Platforms.

- Participated Heavily in coordination, and execution of the Celebrate Molalla event.

Engage youth

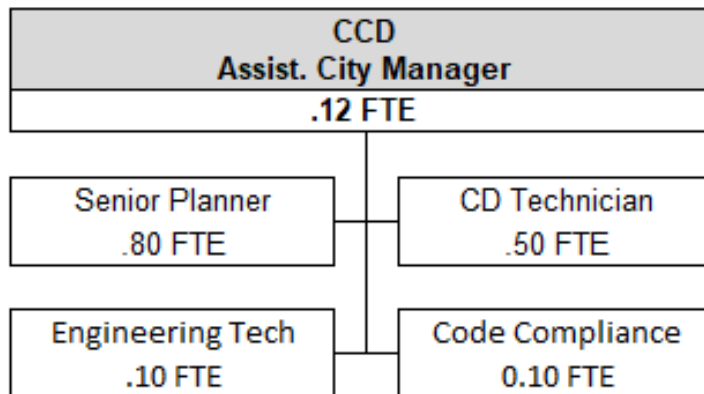
- Participated in the Career Fair at Molalla High School to encourage professional development and recruit potential interns.
- Developed and advertised a local government internship program, and the “student Councilor” program.

## Staffing

|                          | FY 20-21 | FY 21-22 | FY 22-23 | FY 23/24 | FY 24/25 |
|--------------------------|----------|----------|----------|----------|----------|
| Staffing Full Time FTE's | 2.5      | 2.5      | 1.50     | 1.52     | 1.62     |

### Changes from Prior Year

- Only a .10 increase mainly due to reallocations.



| <b>GENERAL FUND<br/>Planning</b>      | <b>Historical Data</b> |                |                | <b>Budget for FY 2024-2025</b> |                     |            |
|---------------------------------------|------------------------|----------------|----------------|--------------------------------|---------------------|------------|
|                                       | 2021-2022              | 2022-2023      | 2023-2024      | 2024-2025                      | 2024-2025           | 2024-2025  |
|                                       | FISCAL                 | FISCAL         | FISCAL         | PROPOSED BY                    | APPROVED BY         | ADOPTED BY |
|                                       | Actual                 | Actual         | Budget         | Budget<br>Officer              | Budget<br>Committee | Council    |
| <b>PERSONNEL SERVICES</b>             |                        |                |                |                                |                     |            |
| BENEFITS AND TAXES                    | 66,796                 | 72,626         | 65,511         | <b>86,853</b>                  |                     |            |
| SALARIES AND WAGES                    | 137,368                | 120,623        | 126,058        | <b>173,225</b>                 |                     |            |
| <b>TOTAL PERSONAL SERVICES</b>        | <b>204,164</b>         | <b>193,249</b> | <b>191,569</b> | <b>260,078</b>                 | -                   | -          |
| <b>FTE</b>                            | <b>2.50</b>            | <b>1.50</b>    | <b>1.52</b>    | <b>1.62</b>                    |                     |            |
| <b>MATERIALS &amp; SERVICES</b>       |                        |                |                |                                |                     |            |
| POWER                                 | 1,081                  | 1,410          | 1,700          | <b>1,950</b>                   |                     |            |
| PHONE                                 | 7,992                  | 8,685          | 8,100          | <b>8,000</b>                   |                     |            |
| NW NATURAL GAS                        | -                      | -              | -              | <b>900</b>                     |                     |            |
| OPERATIONS & MAINTENANCE              | 8,696                  | 7,631          | 5,000          | <b>4,500</b>                   |                     |            |
| OPERATIONS & MAINTENANCE-Code         | -                      | -              | -              | <b>5,000</b>                   |                     |            |
| BUILDING MAINTENANCE                  | 219                    | 1,708          | 1,500          | <b>2,000</b>                   |                     |            |
| TRAINING & CONF. TRAVEL               | 99                     | 1,503          | 2,500          | <b>2,500</b>                   |                     |            |
| TRAINING & CONF. TRAVEL-Code          | -                      | -              | -              | <b>2,500</b>                   |                     |            |
| DUES & MEMBERSHIP                     | 461                    | 87             | 500            | <b>500</b>                     |                     |            |
| POSTAGE-PLANNING                      | 918                    | 682            | 1,200          | <b>100</b>                     |                     |            |
| PRINTING & PUBLICATIONS               | 732                    | 916            | 1,500          | <b>1,200</b>                   |                     |            |
| PROFESSIONAL SERVICES                 | 4,630                  | 5,762          | 31,300         | <b>25,000</b>                  |                     |            |
| ECONOMIC DEVELOPMENT PLAN             | 226                    | -              | -              | -                              |                     |            |
| INSURANCE/LIABILITY/GEN               | 2,653                  | 4,430          | 4,850          | <b>5,675</b>                   |                     |            |
| CUSTODIAN                             | 1,532                  | 1,083          | 2,000          | <b>1,000</b>                   |                     |            |
| OFFICE SUPPLIES                       | 1,269                  | 1,901          | 1,000          | <b>500</b>                     |                     |            |
| CITY ATTORNEY-PLANNING                | 14,961                 | 368            | 5,000          | <b>5,000</b>                   |                     |            |
| COMPUTER SERVICES                     | 2,296                  | 2,592          | 3,000          | <b>13,500</b>                  |                     |            |
| MEETINGS AND BOARDS                   | 1,838                  | 3,784          | 4,000          | <b>4,000</b>                   |                     |            |
| UGB STUDY GRANT                       | 1,130                  | 46,303         | 55,000         | <b>45,000</b>                  |                     |            |
| UGB STUDY GRANT-MATCH                 | 5,000                  | -              | 5,000          | <b>10,000</b>                  |                     |            |
| PARKS MASTER GRANT                    | -                      | -              | -              | -                              |                     |            |
| TRAVEL OREGON GRANT                   | 29,808                 | -              | -              | -                              |                     |            |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>85,541</b>          | <b>88,845</b>  | <b>133,150</b> | <b>138,825</b>                 | -                   | -          |
| <b>TOTAL PLANNING REQUIREMENTS</b>    | <b>289,704</b>         | <b>282,094</b> | <b>324,719</b> | <b>398,903</b>                 | -                   | -          |

## Library Fund



The Molalla Public Library is funded by the [Library District of Clackamas County](#) and operated by the City of Molalla. The permanent rate is 0.3974 per thousand assessed property value. The [Ready to Read grant](#) is administered through the State of Oregon Library and funds the majority of our summer reading program for children.

The Library continues to be a community Resource Hub and supplies educational and entertainment materials and programs for our

community. The Library provides underserved populations with bookmobile stops in places such as Plaza Los Robles and the Colton community as well as attending National Night Out, Celebrate Molalla, Molalla High School's Career Fair, and other local school programs.

Elementary age and teen specific programs are offered monthly, engaging children of all ages. All programs are facilitated by Library staff. Programs include:

- Homeschool Huddle provides a connection for our homeschooling families as well as a learning-based enrichment program.
- LEGO Club encourages a love for design and building.
- STEAM (Science, Technology, Engineering, Arts, and Math) Powered Fun! immerses participants in a scientific topic each month with hands-on experiments.
- Stuffed animal sleepover at the Library
- Teen STEAM and Book Boxes

The library also offers many adult programs. Programs include:

- Mexican Cooking classes
- Citizen Preparation classes for exam
- Make It Monday offers a wide variety of craft projects
- Book Boxes
- Repair Fairs to fix broken household items
- Molalla Adult Center Bookmobile Monthly Stops
- Homebound services to individuals and care facilities upon request



Family activities all year long

- Music in the Park during the summer
- Día de los Niños/Children's Day and Día de los Muertos/Day of the Dead celebrations
- Lotería

Library staff continue to provide curbside service when requested, in addition to the activities above. Visits to local daycare and other care facilities occur regularly. Our staff members remain committed to serving our community.

The budget prepared for next year reflects the increasing demand for streaming audio, visual, and a variety of e-materials as well as the continued need for books and other materials. Our programming budget allows us to maintain the quality of performers and the materials used for our many craft and educational programs. Increases also reflect the rising cost of doing business day to day.

Our budget is healthy and sustainable. It allows Library staff to continue to welcome our patrons, reach out to those who are unable to come to the Library, and grow with our community with updated resources, outreach, and educational and family-friendly events.



Music in the Park



Juggle Mania



Reptile Man



Art Play

## Activity Measures from Last Year, with Performance Percentages from prior year

|                                      | FY 2021-22 | FY 2022-23<br>Estimated | Did Library<br>Meet<br>Expectations | Performance<br>Percentage | FY 2023-24<br>Estimated |
|--------------------------------------|------------|-------------------------|-------------------------------------|---------------------------|-------------------------|
| Materials Circulation                | 159,777    | 160,000                 | No 141,981                          | 89%                       | 148,000                 |
| Downloads / Streaming<br>Circulation | 18,500     | 22,000                  | Yes 23,311                          | 106%                      | 27,000                  |
| Participation in Programs            | 5,400      | 6,900                   | Yes 10,063                          | 146%                      | 7,500                   |

### **Explanation of Significant Budget Changes**

2024 Adopted Budget vs, 2025 Projected Actual

- ✓ Personnel Services increased by \$33,607.
- ✓ Capital Projects increased \$2,516,909 set aside to pursue new Library.(See Budget Message)
- ✓ Operating Contingency increased by \$334,813.
- ✓ Reserve balance increased by \$8,957.

### **Summary of Explanations Above**

- ✓ Library was able to fill positions for most of the year causing an increase in Personnel Services.
- ✓ See Budget message for details on pursuing a new library.
- ✓ Operating and Reserves remain healthy.

### **Goals for 2025**

- Increase bookmobile stops
- Add mobile printing to our in-house services
- Increase programs by 5%

### **2024 Accomplishments**

- ✓ Increased outreach to daycare centers, care facilities, schools, underserved areas, and low-income housing
- ✓ Significantly increased program participation by establishing regular, quality programs Library patrons enjoy
- ✓ Refresh the collection with popular titles, replacements, and patron requests
- ✓ Ensure multiple viewpoints are represented in our materials
- ✓ Increased curated book boxes for adults and teens
- ✓ Replaced sidewalk and trees around the outside of the Library for increased safety and walkability
- ✓ Replaced main doors for durability and ease of access



## Goals Aligned with Visioning



*Make it Monday*

Develop the physical infrastructure needed to support a welcoming Community.

- Constantly increasing communication through monthly events at the library. See full monthly schedule and activities on the City Calendar [Go, HERE!](#)
- For all programs and activities [Go, HERE!](#)
- Foster socially welcoming activities and embrace diversity as our strength.
- Adult Programs such as Citizenship Preparation for the civic testing portion of the US Citizenship application.
- Presentations with a wide variety of speakers
- Regular visits with the bookmobile to Plaza Los Robles to present storytimes,

crafts, and offer materials in Spanish for check out to residents

- Mexican cooking classes, Mexican Bingo (Lotería), and a celebration of Día de Los Muertos which celebrates Mexican heritage and ancestors.



*Teen Anime Drawing Class*

Engage youth.

- Participates in the career fair with the Molalla High School to encourage professional development
- Regular visits to area daycare facilities
- Weekly storytime for ages 0-5 years
- Homeschooling Huddle, LEGO Club, and STEAM Powered Fun!
- Teen Book Boxes

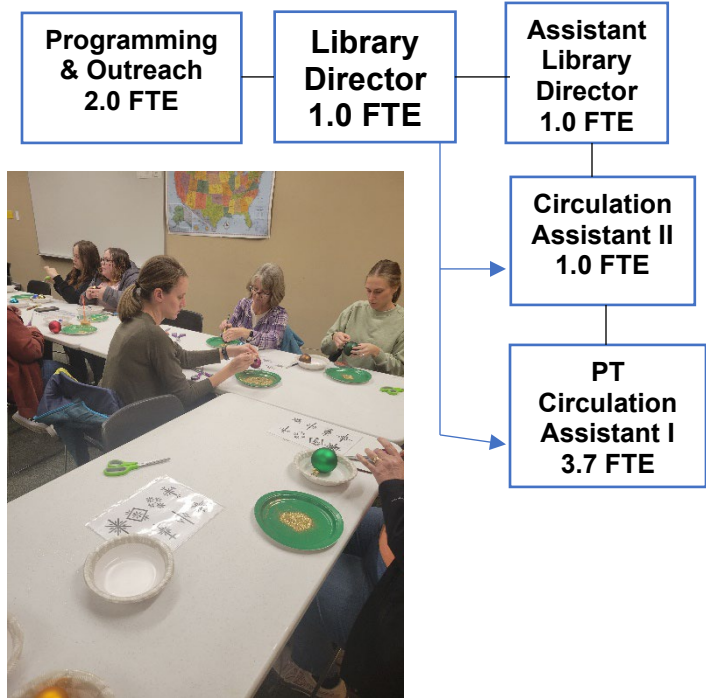


*Mexican Cooking Class*

# Staffing

Changes from prior year:  
\*None

*Día de los Niños*



*Czech Ornaments*



*STEAM Wind Project*

| Staffing      | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 Projected |
|---------------|------------|------------|------------|----------------------|
| Full Time FTE | 8.7        | 8.7        | 8.7        | 8.7                  |



# LIBRARY FUND

## RESOURCES

|                                     | Historical Data    |                    |                    | Budget for FY 2024-2025 |                  |            |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------------|------------------|------------|
|                                     | 2021-2022          | 2022-2023          | 2023-2024          | 2024-2025               | 2024-2025        | 2024-2025  |
|                                     | FISCAL             | FISCAL             | FISCAL             | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                     | Actual             | Actual             | Budget             | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE              | \$2,079,744        | \$3,047,076        | \$3,093,589        | \$3,360,632             |                  |            |
| <b>GENERAL REVENUES</b>             |                    |                    |                    | <b>GENERAL REVENUES</b> |                  |            |
| COUNTY FUNDS                        | \$1,025,811        | \$1,126,708        | \$1,150,000        | \$1,152,000             |                  |            |
| LIBRARY DISTRICT CAPITAL FUNDS      | \$850,000          | \$0                | \$0                | \$0                     |                  |            |
| GRANTS                              | \$4,603            | \$4,881            | \$5,000            | \$4,900                 |                  |            |
| COPIER INCOME                       | \$1,129            | \$1,987            | \$1,300            | \$1,500                 |                  |            |
| MISC                                | \$109              | \$586              | \$300              | \$0                     |                  |            |
| FINES                               | \$4,710            | \$3,985            | \$2,000            | \$2,500                 |                  |            |
| DONATIONS                           | \$2,114            | \$2,580            | \$1,250            | \$2,000                 |                  |            |
| INTEREST                            | \$0                | \$0                | \$76,989           | \$100,000               |                  |            |
| <b>TOTAL FUND REVENUES</b>          | <b>\$1,888,475</b> | <b>\$1,140,726</b> | <b>\$1,236,839</b> | <b>\$1,262,900</b>      | <b>\$0</b>       | <b>\$0</b> |
| <b>TOTAL BEGINNING FUND BALANCE</b> | <b>\$2,079,744</b> | <b>\$3,047,076</b> | <b>\$3,093,589</b> | <b>\$3,360,632</b>      | <b>\$0</b>       | <b>\$0</b> |
| <b>TOTAL LIBRARY FUND RESOURCES</b> | <b>\$3,968,219</b> | <b>\$4,187,803</b> | <b>\$4,330,428</b> | <b>\$4,623,532</b>      |                  |            |

# LIBRARY FUND

| REQUIREMENTS                   | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025        | 2024-2025        | 2024-2025  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------|
|                                | FISCAL           | FISCAL           | FISCAL           | PROPOSED BY      | APPROVED BY      | ADOPTED BY |
|                                | Actual           | Actual           | Budget           | Budget Officer   | Budget Committee | Council    |
| <b>PERSONNEL SERVICES</b>      |                  |                  |                  |                  |                  |            |
| BENEFITS AND TAXES             | \$197,620        | \$244,156        | \$209,900        | \$225,413        | \$0              | \$0        |
| SALARIES AND WAGES             | \$422,280        | \$433,211        | \$504,300        | \$476,911        |                  |            |
| <b>TOTAL PERSONAL SERVICES</b> | <b>\$619,900</b> | <b>\$677,368</b> | <b>\$714,200</b> | <b>\$702,324</b> | <b>\$0</b>       | <b>\$0</b> |
| FTE                            | 8.7              | 8.7              | 8.7              | 8.7              |                  |            |

## MATERIALS & SERVICES

|                                       |                  |                  |                  |                  |            |            |
|---------------------------------------|------------------|------------------|------------------|------------------|------------|------------|
| POWER                                 | \$6,630          | \$8,284          | \$11,000         | \$10,500         |            |            |
| PHONE                                 | \$5,688          | \$5,905          | \$6,250          | \$8,150          |            |            |
| NW NATURAL GAS                        | \$1,613          | \$2,768          | \$2,000          | \$3,000          |            |            |
| OPERATIONS & MAINTENANCE              | \$6,063          | \$10,976         | \$30,500         | \$30,000         |            |            |
| BUILDING MAINTENANCE                  | \$36,771         | \$54,121         | \$85,000         | \$50,000         |            |            |
| TRAINING & CONF. TRAVEL               | \$1,197          | \$4,272          | \$7,000          | \$6,000          |            |            |
| DUES & MEMBERSHIP                     | \$758            | \$724            | \$1,000          | \$250            |            |            |
| POSTAGE                               | \$3,212          | \$364            | \$500            | \$500            |            |            |
| PROFESSIONAL SERVICES                 | \$123            | \$1,326          | \$4,500          | \$4,000          |            |            |
| INSURANCE/LIABILITY/GEN               | \$16,306         | \$20,068         | \$25,000         | \$30,000         |            |            |
| BOOKS                                 | \$63,672         | \$65,736         | \$63,000         | \$65,000         |            |            |
| E-PUBLICATIONS                        | \$10,186         | \$11,794         | \$16,500         | \$12,500         |            |            |
| READY TO READ MATERIAL                | \$4,472          | \$3,457          | \$5,000          | \$4,800          |            |            |
| AUDIO-VISUAL MATERIAL                 | \$21,033         | \$18,556         | \$27,000         | \$20,000         |            |            |
| DATA BASES                            | \$2,637          | \$5,054          | \$10,000         | \$12,000         |            |            |
| CUSTODIAN                             | \$18,455         | \$21,149         | \$25,000         | \$25,000         |            |            |
| OFFICE SUPPLIES                       | \$10,966         | \$9,352          | \$13,500         | \$12,000         |            |            |
| COST ALLOCATION AGREEMENT             | \$44,987         | \$50,989         | \$86,528         | \$129,255        |            |            |
| FURNITURE & FIXTURES                  | \$2,559          | \$2,214          | \$7,000          | \$5,000          |            |            |
| COPIER EXPENSES                       | \$5,103          | \$4,747          | \$5,500          | \$5,500          |            |            |
| PROGRAMS                              | \$31,932         | \$28,806         | \$35,000         | \$35,000         |            |            |
| PERIODICALS                           | \$1,732          | \$2,050          | \$2,200          | \$2,000          |            |            |
| EQUIPMENT                             | \$5,148          | \$20,236         | \$18,000         | \$6,000          |            |            |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$301,243</b> | <b>\$352,949</b> | <b>\$486,978</b> | <b>\$476,455</b> | <b>\$0</b> | <b>\$0</b> |

Continued

# LIBRARY

|  | Historical Data  |                    |                    | Budget for Next FY 2024-2025 |                  |            |
|--|------------------|--------------------|--------------------|------------------------------|------------------|------------|
|  | 2021-2022        | 2022-2023          | 2023-2024          | 2024-2025                    | 2024-2025        | 2024-2025  |
|  | FISCAL           | FISCAL             | FISCAL             | PROPOSED BY                  | APPROVED BY      | ADOPTED BY |
|  | Actual           | Actual             | Budget             | Budget Officer               | Budget Committee | Council    |
| <b>CAPITAL OUTLAY</b>                      |                  |                    |                    |                              |                  |            |
| CAPITAL PROJECT - CONSTRUCTION             | \$0              | \$0                | \$2,516,909        | <b>\$2,516,909</b>           |                  |            |
| <b>TOTAL CAPITAL OUTLAY</b>                | <b>\$0</b>       | <b>\$0</b>         | <b>\$2,516,909</b> | <b>\$2,516,909</b>           | <b>\$0</b>       | <b>\$0</b> |
| <b>TRANSFERS OUT</b>                       |                  |                    |                    |                              |                  |            |
| TRANSFER TO FLEET REPLACEMENT              | \$0              | \$0                | \$0                | <b>\$0</b>                   |                  |            |
| <b>TOTAL TRANSFERS OUT</b>                 | <b>\$0</b>       | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>                   | <b>\$0</b>       | <b>\$0</b> |
| <b>CONTINGENCY</b>                         |                  |                    |                    |                              |                  |            |
| OPERATING CONTINGENCY                      | \$0              | \$0                | \$400,000          | <b>\$706,546</b>             |                  |            |
| <b>TOTAL OPERATING CONTINGENCY</b>         | <b>\$0</b>       | <b>\$0</b>         | <b>\$400,000</b>   | <b>\$706,546</b>             | <b>\$0</b>       | <b>\$0</b> |
| <b>FUND BALANCE/RESERVES</b>               |                  |                    |                    |                              |                  |            |
| FB RESERVE/PERS                            | \$0              | \$0                | \$5,000            | <b>\$5,000</b>               |                  |            |
| FB RESERVE                                 | \$0              | \$0                | \$207,341          | <b>\$216,298</b>             |                  |            |
| <b>TOTAL RESERVES</b>                      | <b>\$0</b>       | <b>\$0</b>         | <b>\$212,341</b>   | <b>\$221,298</b>             | <b>\$0</b>       | <b>\$0</b> |
| <b>TOTAL ADMINISTRATION REQUIREMENTS</b>   | <b>\$921,143</b> | <b>\$1,030,317</b> | <b>\$4,330,428</b> | <b>\$4,623,532</b>           |                  |            |
| <b>TOTAL LIBRARY FUND RESOURCES AND FB</b> | \$3,968,219      | \$4,187,803        | \$4,330,428        | \$4,623,532                  |                  |            |
| <b>TOTAL LIBRARY FUND REQUIREMENTS</b>     | \$921,143        | \$1,030,317        | \$4,330,428        | \$4,623,532                  |                  |            |
| <b>TOTAL NET LIBRARY FUND</b>              | \$3,047,076      | \$3,157,486        | \$0                | \$0                          |                  |            |

## Street Fund



*Shirley Street Resurfacing*

resurfacing of S Molalla Ave in association with the waterline project in that area, continuation of railroad right of way acquisition efforts, and the beginning of design and planning to ultimately move the City's truck route to Molalla Forest Road. Crack seal and Pothole repair will also continue this year as primary maintenance functions.

In FY23-24, the City created a new "Sidewalk Improvement" program. Notably, property owners in Molalla are responsible for the construction and maintenance of sidewalks abutting their property. The Sidewalk Improvement Program aims to assist community members in footing the costs associated with that work. Additionally, the paving program provided an overlay and restripe of N Molalla Ave, while the Street Capital Program and Private Development completed a Roundabout at OR-213 and Toliver, completed the extension of S Leroy Ave to S Lowe Rd, and projects are currently in-work that will improve S Ona Way, OR-211 from Hezzie Ln to Ona Way, S Molalla Ave, and Section St.

The Streets Fund is an enterprise fund that provides the labor, equipment, and supplies necessary to operate and maintain City Streets and Rights-of-Way. Primary sources of revenue for this fund are State Gas Tax, Vehicle Registration Fees, and PGE Franchise Fees. Each is expected to be only slightly higher than last year.

In FY24-25 the Sidewalk Improvement Program, and Resurfacing Program are budgeted to continue full steam ahead! Additionally, staff expects to complete resurfacing of Lola Ave in association with a water/sewer pipe project in that area, improvement of OR-211 from Hezzie to Ona, improvement of Section St.,



*City Street Maintenance Crew puts the finishing touches on the West Lane paving project*

## Activity Measures from Prior Year, with Performance Percentages from prior year.

|                                       | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 | Performance<br>Percentages | FY<br>2023-24<br>Estimated |
|---------------------------------------|---------------|---------------|---------------|----------------------------|----------------------------|
| # of local road feet paved/resurfaced | 1,300         | 3,780         | 4,780         | Increase of<br>79%         | 5000                       |
| Potholes Filled                       | 279           | 552           | 465           | Decrease of<br>-16%        | 500                        |
| # of work orders completed            | 3,906         | 4,170         | 3,433         | Increase of<br>21%         | 3,800                      |

### Explanation of Significant Budget Variances

2024 Adopted Budget vs 2025 Projected Actual

- Beginning of debt service for city share of Roundabout Project \$184,000
- Road Surfacing Program Increase by \$50,000
- New Street Lights in O&M \$10,000

### Summary of Explanations Above

All costs increased generally across the board to maintain the current level of service after record inflation. Debt service began on the City's share of the Toliver Roundabout. And the road surfacing and restriping program was increased based on public feedback on road conditions. Additionally, the iWorQ system implementation costs are a one-time cost that has helped increase that line. Finally, new streetlights in O&M due to needed bulb replacements.

### Goals for 2025

- ✓ Extend Cascade Center cross section of OR-211 to just west of Ona Way.
- ✓ Improvement of Industrial Way N of OR-211.
- ✓ Complete construction of Section St.
- ✓ Continue resurfacing and sidewalk improvement programs.
- ✓ Complete resurfacing of Lola Ln. after Water/Sewer project.

### **Accomplishments for 2024**

- ✓ Completed S Leroy Ave extension to Lowe Rd.
- ✓ Completed resurfacing on N Molalla Ave.
- ✓ Improved Ona Way just south of OR-211.
- ✓ Completed construction of the Toliver/OR-213 Roundabout.
- ✓ Completed design of Section St buildout.
- ✓ Sidewalk Improvement Program Completed 3 new ADA Ramps and Approximately 350 linear feet of sidewalk.
- ✓ Completed Survey of Molalla Forest Road

### **Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Foster socially welcoming activities and embrace diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

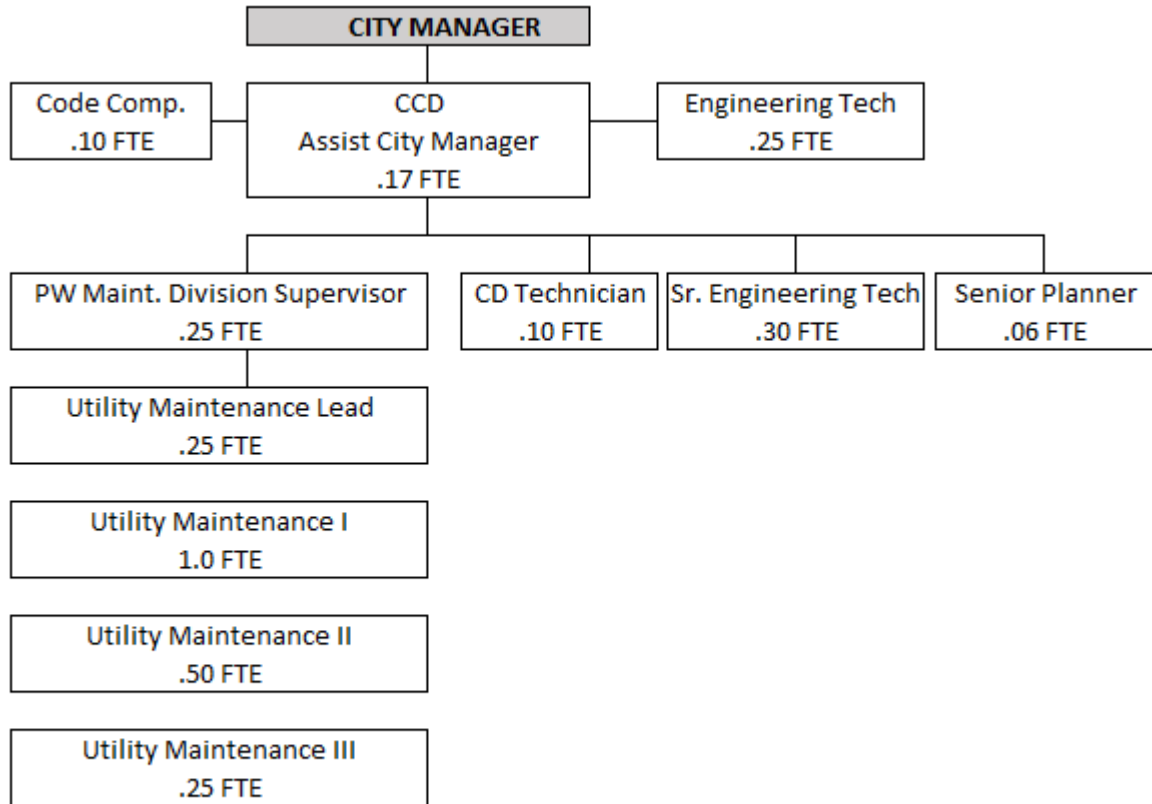
- Participated in the Career Fair at Molalla High School to encourage professional development.



# Staffing

✓ No changes from the previous year to staffing.

|               | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 | FY<br>2023-24 | FY<br>2024-25 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Full Time FTE | 3.34          | 3.34          | 2.86          | 3.23          | 3.23          |



# STREET FUND

## RESOURCES

|                                     | Historical Data  |                  |                  | Budget for FY 2024-2025 |                  |            |
|-------------------------------------|------------------|------------------|------------------|-------------------------|------------------|------------|
|                                     | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025               | 2024-2025        | 2024-2025  |
|                                     | FISCAL           | FISCAL           | FISCAL           | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                     | Actual           | Actual           | Budget           | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE              | 1,074,845        | 1,611,285        | 1,681,916        | <b>3,458,088</b>        |                  |            |
| <b>REVENUE</b>                      |                  |                  |                  |                         |                  |            |
| STATE GAS TAX                       | 803,240          | 800,415          | 815,000          | <b>820,000</b>          |                  |            |
| VEHICLE REGISTRATION FEE            | 175,544          | 201,361          | 205,000          | <b>200,000</b>          |                  |            |
| PGE FRANCHISE FEE                   | 249,858          | 180,000          | 180,000          | <b>180,000</b>          |                  |            |
| MISCELLANEOUS                       | 16,378           | 4,441            | -                | -                       |                  |            |
| INTEREST                            | -                | -                | 36,337           | <b>75,000</b>           |                  |            |
| PLAN REVIEW AND PERMITS             | 24,000           | 8,075            | 5,000            | <b>3,000</b>            |                  |            |
| FUND EXCHANGE                       | -                | -                | 642,528          | -                       |                  |            |
| TRANSFER FROM STREET IMP-SDC        | -                | -                | 467,000          | <b>450,000</b>          |                  |            |
| TRANSFER FROM STREET REIMB-SDC      | -                | -                | 500,000          | -                       |                  |            |
| <b>TOTAL STREET FUND REVENUES</b>   | <b>1,269,020</b> | <b>1,194,291</b> | <b>2,850,865</b> | <b>1,728,000</b>        | -                | -          |
| <b>TOTAL BEGINNING FUND BALANCE</b> | <b>1,074,845</b> | <b>1,611,285</b> | <b>1,681,916</b> | <b>3,458,088</b>        | -                | -          |
| <b>TOTAL STREET FUND RESOURCES</b>  | <b>2,343,865</b> | <b>2,805,577</b> | <b>4,532,781</b> | <b>5,186,088</b>        | -                | -          |



| STREET FUND<br>REQUIREMENTS    | Historical Data  |                  |                  | Budget for FY 2024-2025 |                       |                       |
|--------------------------------|------------------|------------------|------------------|-------------------------|-----------------------|-----------------------|
|                                | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025               | 2024-2025             | 2024-2025             |
|                                | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget   | APPROVED BY<br>Budget | ADOPTED BY<br>Council |
| <b>PERSONNEL SERVICES</b>      |                  |                  |                  |                         |                       |                       |
| BENEFITS AND TAXES             | \$112,723        | \$129,015        | \$137,130        | <b>\$162,444</b>        |                       |                       |
| SALARIES AND WAGES             | \$214,770        | \$232,232        | \$251,300        | <b>\$259,346</b>        |                       |                       |
| <b>TOTAL PERSONAL SERVICES</b> | <b>\$327,493</b> | <b>\$361,246</b> | <b>\$388,430</b> | <b>\$421,790</b>        | <b>\$0</b>            | <b>\$0</b>            |
| <b>FTE</b>                     | <b>3.34</b>      | <b>2.86</b>      | <b>3.23</b>      | <b>3.23</b>             |                       |                       |

### ADMINISTRATION REVENUES

|                                       |                  |                  |                  |                  |            |            |
|---------------------------------------|------------------|------------------|------------------|------------------|------------|------------|
| <b>MATERIALS &amp; SERVICES</b>       |                  |                  |                  |                  |            |            |
| POWER                                 | \$92,440         | \$116,342        | \$130,000        | <b>\$120,000</b> |            |            |
| PHONE                                 | \$9,324          | \$10,284         | \$11,000         | <b>\$5,500</b>   |            |            |
| NATURAL GAS                           | \$2,319          | \$2,085          | \$1,500          | <b>\$1,200</b>   |            |            |
| O&M                                   | \$15,416         | \$22,184         | \$15,000         | <b>\$25,000</b>  |            |            |
| BUILDING MAINTENANCE                  | \$436            | \$13,689         | \$21,000         | <b>\$35,000</b>  |            |            |
| TRANING & CONF. TRAVEL                | \$857            | \$907            | \$2,000          | <b>\$3,000</b>   |            |            |
| DUES & MEMBERSHIP                     | \$337            | \$192            | \$1,000          | <b>\$1,000</b>   |            |            |
| POSTAGE                               | \$301            | \$549            | \$0              | <b>\$0</b>       |            |            |
| COMPUTER NETWORK                      | \$10,971         | \$13,059         | \$15,000         | <b>\$15,000</b>  |            |            |
| PW SOFTWARE SERVICES                  | \$0              | \$0              | \$0              | <b>\$20,000</b>  |            |            |
| PROFESSIONAL SERVICES                 | \$4,701          | \$5,969          | \$6,000          | <b>\$10,000</b>  |            |            |
| LEGAL & RECORDING                     | \$580            | \$2,121          | \$6,000          | <b>\$7,500</b>   |            |            |
| INSURANCE/LIABILITY/GEN               | \$27,306         | \$31,012         | \$35,000         | <b>\$41,000</b>  |            |            |
| VEHICLE FUEL                          | \$9,345          | \$14,654         | \$18,000         | <b>\$18,000</b>  |            |            |
| VEHICLE REPAIR                        | \$13,581         | \$9,206          | \$7,000          | <b>\$10,000</b>  |            |            |
| UNIFORMS & SAFETY GEAR                | \$2,639          | \$1,712          | \$3,600          | <b>\$4,000</b>   |            |            |
| COST ALLOCATION AGREEMENT             | \$80,982         | \$72,668         | \$64,896         | <b>\$96,941</b>  |            |            |
| SIDEWALK / STREET REPAIRS             | \$48,789         | \$278,427        | \$50,000         | <b>\$50,000</b>  |            |            |
| ROAD SURFACING PROGRAM                | \$0              | \$0              | \$250,000        | <b>\$300,000</b> |            |            |
| SMALL EQUIPMENT / TOOLS               | \$831            | \$964            | \$2,500          | <b>\$3,000</b>   |            |            |
| SIGNAGE & STRIPING                    | \$21,358         | \$17,793         | \$30,000         | <b>\$35,000</b>  |            |            |
| NEW STREET LIGHTS                     | \$4,257          | \$10,036         | \$10,000         | <b>\$27,820</b>  |            |            |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$346,769</b> | <b>\$623,854</b> | <b>\$679,496</b> | <b>\$828,961</b> | <b>\$0</b> | <b>\$0</b> |

Continued

| <b>STREET FUND<br/>REQUIREMENTS</b>       | <b>Historical Data</b> |                  |                    | <b>Budget for FY 2024-2025</b> |             |            |
|---|------------------------|------------------|--------------------|--------------------------------|-------------|------------|
|   | 2021-2022              | 2022-2023        | 2023-2024          | 2024-2025                      | 2024-2025   | 2024-2025  |
|   | FISCAL                 | FISCAL           | FISCAL             | PROPOSED BY                    | APPROVED BY | ADOPTED BY |
|   | Actual                 | Actual           | Budget             | Budget                         | Budget      | Council    |
| <b>DEBT</b>                               |                        |                  |                    |                                |             |            |
| OTIF LOAN PRINCIPAL                       | \$0                    | \$0              | \$0                | \$92,000                       |             |            |
| OTIF LOAN INTEREST                        | \$0                    | \$0              | \$0                | \$92,000                       |             |            |
| <b>TOTAL DEBT</b>                         | <b>\$0</b>             | <b>\$0</b>       | <b>\$0</b>         | <b>\$184,000</b>               | <b>\$0</b>  | <b>\$0</b> |
| <b>CAPITAL OUTLAY</b>                     |                        |                  |                    |                                |             |            |
| STREET IMP SDC CAPITAL PROJ               | \$0                    | \$0              | \$467,000          | \$450,000                      |             |            |
| STREET REIMB SDC CAPITAL PROJ             | \$0                    | \$0              | \$500,000          | \$0                            |             |            |
| STREET CAPITAL PROJECTS                   | \$0                    | \$0              | \$310,000          | \$200,000                      |             |            |
| ODOT FUND EXCHANGE                        | \$0                    | \$0              | \$642,528          | \$0                            |             |            |
| STREET EQUIPMENT                          | \$5,911                | \$0              | \$0                | \$2,800                        |             |            |
| <b>TOTAL CAPITAL OUTLAY</b>               | <b>\$5,911</b>         | <b>\$0</b>       | <b>\$1,919,528</b> | <b>\$652,800</b>               | <b>\$0</b>  | <b>\$0</b> |
| <b>TRANSFERS OUT</b>                      |                        |                  |                    |                                |             |            |
| TRANSFER TO CAPITAL PROJECT F             | \$14,107               | \$90,000         | \$0                | \$0                            |             |            |
| TRANSFER TO FLEET REPLACE FUND            | \$38,300               | \$38,300         | \$38,300           | \$38,300                       |             |            |
| <b>TOTAL TRANSFERS OUT</b>                | <b>\$52,407</b>        | <b>\$128,300</b> | <b>\$38,300</b>    | <b>\$38,300</b>                | <b>\$0</b>  | <b>\$0</b> |
| <b>CONTINGENCY</b>                        |                        |                  |                    |                                |             |            |
| OPERATING CONTINGENCY                     | \$0                    | \$0              | \$500,000          | \$2,055,237                    |             |            |
| <b>TOTAL OPERATING CONTINGENCY</b>        | <b>\$0</b>             | <b>\$0</b>       | <b>\$500,000</b>   | <b>\$2,055,237</b>             | <b>\$0</b>  | <b>\$0</b> |
| <b>FUND BALANCE/RESERVES</b>              |                        |                  |                    |                                |             |            |
| FB RESERVE/PERS                           | \$0                    | \$0              | \$25,000           | \$5,000                        |             |            |
| FB RESERVE                                | \$0                    | \$0              | \$982,027          | \$1,000,000                    |             |            |
| <b>TOTAL RESERVES</b>                     | <b>\$0</b>             | <b>\$0</b>       | <b>\$1,007,027</b> | <b>\$1,005,000</b>             | <b>\$0</b>  | <b>\$0</b> |
| <b>TOTAL STREET FUND RESOURCES AND FB</b> | <b>2,343,865</b>       | <b>1,611,285</b> | <b>4,532,781</b>   | <b>5,186,088</b>               | <b>-</b>    | <b>-</b>   |
| <b>TOTAL STREET REQUIREMENTS</b>          | <b>\$732,580</b>       | <b>\$985,100</b> | <b>\$4,532,781</b> | <b>5,186,088</b>               | <b>-</b>    | <b>-</b>   |
| <b>TOTAL NET STREET FUND</b>              | <b>1,611,285</b>       | <b>626,185</b>   | <b>-</b>           | <b>-</b>                       | <b>-</b>    | <b>-</b>   |

## PD Restricted Fund

The PD Restricted Fund houses several smaller accounts designed to be protected or set-aside. For example, when citizens or a business entity donates money for a particular cause (like K9) those funds need to be held separately to ensure they are used for the reason they were designated.



When funds are donated to the police department and are not designated to a particular area, they go into a Youth Athletic or Activity fund which the Department uses to pay for registration fees for families that otherwise could not afford to let their children participate. This category is also funded from any auctions or sales of surplus equipment. Similarly, our officers and staff personally donate monthly funds to a Youth Scholarship fund which awards an annual \$1000 college scholarship to a worthy graduating senior at Molalla High School. There is also a small portion of revenue that comes from traffic citations that is directed to be used for emergency vehicle replacement and related issues. Below are direct Hyperlinks to the application if you are viewing this online.

[Youth Activity Fund Application](#)



**PD RESTRICTED FUND**

Historical Data

Budget for FY 2024-2025

**RESOURCES**

|                                      | 2021-2022     | 2022-2023     | 2023-2024     | 2024-2025      | 2024-2025        | 2024-2025  |
|--------------------------------------|---------------|---------------|---------------|----------------|------------------|------------|
|                                      | FISCAL        | FISCAL        | FISCAL        | PROPOSED BY    | APPROVED BY      | ADOPTED BY |
|                                      | Actual        | Actual        | Budget        | Budget Officer | Budget Committee | Council    |
| <b>RESOURCES</b>                     |               |               |               |                |                  |            |
| BEGINNING FUND BALANCE               | 41,405        | 1             | 2,351         | <b>12,212</b>  |                  |            |
| <b>REVENUE</b>                       |               |               |               |                |                  |            |
| EMERGENCY VEHICLE FUND               | 2,953         | 2,999         | 3,000         | <b>4,800</b>   |                  |            |
| K9 DONATIONS                         | -             | -             | -             | <b>10,000</b>  |                  |            |
| POLICE PAYROLL DONATIONS             | 1,210         | 1,090         | 1,400         | <b>1,066</b>   |                  |            |
| POLICE AUCTION / YOUTH FUND          | 875           | 157           | 350           | <b>600</b>     |                  |            |
| SHARED REVENUES                      | 50,000        | 50,000        | 50,000        | <b>50,000</b>  |                  |            |
| EXPIRED PROPERTY/EVIDENCE            | 223           | 1,047         | 300           | <b>328</b>     |                  |            |
| INTEREST                             | -             | -             | 65            | <b>400</b>     |                  |            |
| <b>TOTAL PD RESTRICTED REVENUES</b>  | <b>55,261</b> | <b>55,293</b> | <b>55,115</b> | <b>67,194</b>  | -                | -          |
| <b>TOTAL BEGINNING FUND BALANCE</b>  | <b>41,405</b> | <b>1</b>      | <b>2,351</b>  | <b>12,212</b>  |                  |            |
| <b>TOTAL PD RESTRICTED RESOURCES</b> | <b>96,666</b> | <b>55,293</b> | <b>57,466</b> | <b>79,406</b>  |                  |            |

**REQUIREMENTS**

**MATERIALS & SERVICES**

**REQUIREMENTS**

**MATERIALS & SERVICES**

|                                       |              |              |              |               |   |   |
|---------------------------------------|--------------|--------------|--------------|---------------|---|---|
| K9 (Donation)                         | -            | -            | 1,751        | <b>24,591</b> |   |   |
| PD EMERGENCY VEHICLE FUND             | -            | -            | -            | -             |   |   |
| YOUTH FUND                            | 1,150        | 1,500        | 1,900        | <b>1,000</b>  |   |   |
| H.S. SCHOLARSHIP (eeDonation)         | 2,000        | -            | 1,000        | <b>1,000</b>  |   |   |
| SUPPLIES / EQUIPMENT                  | 594          | -            | 2,815        | <b>2,815</b>  |   |   |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>3,744</b> | <b>1,500</b> | <b>7,466</b> | <b>29,406</b> | - | - |

**TRANSFERS OUT**

|                               |               |               |               |               |   |   |
|-------------------------------|---------------|---------------|---------------|---------------|---|---|
| TRANSFER TO FLEET REPLACEMENT | 92,921        | 50,000        | 50,000        | <b>50,000</b> |   |   |
| <b>TOTAL TRANSFERS OUT</b>    | <b>92,921</b> | <b>50,000</b> | <b>50,000</b> | <b>50,000</b> | - | - |

|                                     |               |               |               |               |  |  |
|-------------------------------------|---------------|---------------|---------------|---------------|--|--|
| <b>TOTAL RESOURCES AND FUND BAL</b> | <b>96,666</b> | <b>55,293</b> | <b>57,466</b> | <b>79,406</b> |  |  |
| <b>TOTAL FUND REQUIREMENTS</b>      | <b>96,665</b> | <b>51,500</b> | <b>57,466</b> | <b>79,406</b> |  |  |
| <b>TOTAL NET PD RESTRICTED FUND</b> | <b>1</b>      | <b>3,793</b>  | <b>-</b>      | <b>-</b>      |  |  |

# Police Station Capital Project Fund

The Police Station Capital Project Fund was created by Resolution 2024-04 in February 2024 in preparation for receiving bond proceeds. The issuance of General Obligation bonds was approved by voters in 2023. Funds were received in March 2024. Oregon budget law allows an exception for expenditures from proceeds in the current year budget period.

Construction is expected to start early summer of 2024. The Police Department is anticipating to move into the new facility in the Fall of 2025. To stay up to date on the project [Go, HERE](#) to get current updates on the construction process.



| <b>CAPITAL PROJECT<br/>POLICE STATION</b> | <b>Historical Data</b> |                  |                  | <b>Budget for FY 2024-2025</b> |                         |                   |
|---|------------------------|------------------|------------------|--------------------------------|-------------------------|-------------------|
|   | <b>2021-2022</b>       | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b>               | <b>2024-2025</b>        | <b>2024-2025</b>  |
|   | <b>FISCAL</b>          | <b>FISCAL</b>    | <b>FISCAL</b>    | <b>PROPOSED BY</b>             | <b>APPROVED BY</b>      | <b>ADOPTED BY</b> |
|   | <b>Actual</b>          | <b>Actual</b>    | <b>Budget</b>    | <b>Budget Officer</b>          | <b>Budget Committee</b> | <b>Council</b>    |
| BEGINNING FUND BALANCE                    | -                      | -                | -                | 16,830,230                     |                         |                   |
| <b>REVENUE</b>                            |                        |                  |                  |                                |                         |                   |
| INTEREST                                  | -                      | -                | -                | 130,000                        |                         |                   |
| BOND PROCEEDS                             | -                      | -                | -                | -                              |                         |                   |
| <b>TOTAL REVENUE</b>                      | -                      | -                | -                | 130,000                        |                         |                   |
| <b>TOTAL BEGINNING FUND BALANCE</b>       |                        |                  |                  | 16,830,230                     |                         |                   |
| <b>TOTAL POLICE STATION RESOURCES</b>     |                        |                  |                  | 16,960,230                     |                         |                   |
| <b>EXTENDITURE</b>                        |                        |                  |                  |                                |                         |                   |
| COST OF ISSUANCE                          | -                      | -                | -                | 178,761                        |                         |                   |
| REIMBURSE PRE-ISSUANCE COSTS              | -                      | -                | -                | 133,797                        |                         |                   |
| POLICE STATION CAPITAL PROJECT            | -                      | -                | -                | 16,517,672                     |                         |                   |
| <b>TOTAL CAPITAL OUTLAY</b>               | -                      | -                | -                | 16,830,230                     |                         |                   |
| <b>CONTINGENCY</b>                        |                        |                  |                  |                                |                         |                   |
| OPERATING CONTINGENCY                     | -                      | -                | -                | 130,000                        |                         |                   |
| <b>TOTAL CONTINGENCY</b>                  | -                      | -                | -                | 130,000                        |                         |                   |
| <b>TOTAL REQUIREMENTS</b>                 | -                      | -                | -                | 16,960,230                     |                         |                   |
| <b>TOTAL RESOURCES AND FUND BAL</b>       | -                      | -                | -                | 16,960,230                     |                         |                   |
| <b>TOTAL FUND REQUIREMENTS</b>            | -                      | -                | -                | 16,960,230                     |                         |                   |
| <b>TOTAL NET WWTP UPGRADE FUND</b>        | -                      | -                | -                | -                              |                         |                   |

## WWTP Upgrade Project Fund

The WWTP Upgrade Project Fund was created by Resolution 2024-05 in February 2024 in preparation of receiving loan proceeds for financing the completion of the new Wastewater Treatment Plant.

Please [GO Here!](#) to the Molalla Current to see updates and progression as the city prepares for the Waste Water Treatment Upgrade.



**CAPITAL PROJECT  
WWTP UPGRADE**

|                                     | Historical Data |           |           | Budget for FY 2024-2025 |                     |            |
|-------------------------------------|-----------------|-----------|-----------|-------------------------|---------------------|------------|
|                                     | 2021-2022       | 2022-2023 | 2023-2024 | 2024-2025               | 2024-2025           | 2024-2025  |
|                                     | FISCAL          | FISCAL    | FISCAL    | PROPOSED BY             | APPROVED BY         | ADOPTED BY |
|                                     | Actual          | Actual    | Budget    | Budget<br>Officer       | Budget<br>Committee | Council    |
| BEGINNING FUND BALANCE              | -               | -         | -         | -                       |                     |            |
| <b>REVENUE</b>                      |                 |           |           |                         |                     |            |
| INTEREST                            | -               | -         | -         | -                       |                     |            |
| USDA LOAN PROCEEDS                  | -               | -         | -         | -                       |                     |            |
| CWSRF INTERIM FINANCING             | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| CWSRF PERMANENT FINANCING           | -               | -         | -         | -                       |                     |            |
| LOTTERY GRANT                       | -               | -         | -         | -                       |                     |            |
| TRANSFER FROM SEWER IMP SDC         | -               | -         | -         | -                       |                     |            |
| TRANSFER FROM SEWER FUND            | -               | -         | -         | -                       |                     |            |
| <b>TOTAL REVENUE</b>                | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| <b>TOTAL BEGINNING FUND BALANCE</b> | -               | -         | -         | -                       |                     |            |
| <b>TOTAL WWTP UPGRADE RESOURCES</b> | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| <b>EXTENDITURE</b>                  |                 |           |           |                         |                     |            |
| NEW WWTP - USDA                     | -               | -         | -         | -                       |                     |            |
| NEW WWTP - CWSRFP                   | -               | -         | -         | -                       |                     |            |
| NEW WWTP - CWSRFI                   | -               | -         | -         | -                       |                     |            |
| NEW WWTP - LOTTERY                  | -               | -         | -         | -                       |                     |            |
| CAPITAL IMPROVEMENTS                | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| <b>TOTAL REQUIREMENTS</b>           | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| <b>TOTAL RESOURCES AND FUND BAL</b> | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| <b>TOTAL FUND REQUIREMENTS</b>      | -               | -         | -         | <b>21,226,521</b>       |                     |            |
| <b>TOTAL NET WWTP UPGRADE FUND</b>  | -               | -         | -         | -                       |                     |            |



## Fleet Replacement Fund

The Fleet Replacement Fund is a Special Revenue fund that accounts for the purchase and replacement of vehicles and other fleet equipment. Revenues for this fund are exclusively transfers in from enterprise funds, and governmental funds for fleet vehicle purchases. In addition to the purchase of fleet vehicles, this fund acts as a savings account for future vehicle purchases which allows the city to avoid interest payments and other fees associated with financing by having cash on hand for these purchases.

The FY24-25 budget continues a budgeting strategy that allows city staff to more easily account for funds carried from year to year, and to provide flexibility for vehicle purchasing as needed. This flexibility allows the city to use vehicles right up to the end of their useful life when the cost to maintain exceeds the value of the asset. Instead of preordaining vehicle purchases to replace vehicles that may not need replacing or failing to anticipate a seemingly reliable vehicle becoming unusable, staff can use and maintain a vehicle until it does not make fiscal sense to do so, then replace it when necessary.



## FLEET FUND

### RESOURCES

|   | Historical Data  |                  |                  | Budget for FY 2024-2025       |                                 |                       |
|---|------------------|------------------|------------------|-------------------------------|---------------------------------|-----------------------|
|   | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                     | 2024-2025                       | 2024-2025             |
|   | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget Officer | APPROVED BY<br>Budget Committee | ADOPTED BY<br>Council |
| BEGINNING FUND BALANCE                        | 270,548          | 382,448          | 387,854          | 351,916                       |                                 |                       |
| <b>REVENUE</b>                                |                  |                  |                  |                               |                                 |                       |
| TRANSFER FROM POLICE                          | 70,000           | 110,000          | -                | 100,000                       |                                 |                       |
| TRANSFER FROM GF PARKS                        | 7,900            | 7,900            | -                | 7,900                         |                                 |                       |
| TRANSFER FROM STREETS                         | 38,300           | 38,300           | 38,300           | 38,300                        |                                 |                       |
| TRANSFER FROM SEWER                           | 21,725           | 21,725           | 121,725          | 21,725                        |                                 |                       |
| TRANSFER FROM WATER                           | 21,725           | 21,725           | 21,725           | 21,725                        |                                 |                       |
| TRANSFER FROM STORMWATER                      | 26,400           | 26,400           | 26,400           | 15,000                        |                                 |                       |
| INTEREST                                      | -                | -                | 13,257           | 15,000                        |                                 |                       |
| TRANSFER FROM PD REST                         | 92,921           | 50,000           | 50,000           | 50,000                        |                                 |                       |
| <b>TOTAL FUND REVENUES</b>                    | <b>278,971</b>   | <b>276,050</b>   | <b>271,407</b>   | <b>269,650</b>                |                                 |                       |
| <b>TOTAL BEGINNING FUND BALANCE</b>           | <b>270,548</b>   | <b>382,448</b>   | <b>387,854</b>   | <b>351,916</b>                |                                 |                       |
| <b>TOTAL FLEET REPLACEMENT FUND RESOURCES</b> | <b>549,519</b>   | <b>658,498</b>   | <b>659,261</b>   | <b>621,566</b>                |                                 |                       |
| <b>REQUIREMENTS</b>                           |                  |                  |                  |                               |                                 |                       |
| <b>CAPITAL OUTLAY</b>                         |                  |                  |                  |                               |                                 |                       |
| POLICE FLEET                                  | 154,368          | 47,663           | 158,657          | 229,111                       |                                 |                       |
| PARKS FLEET                                   | 12,704           | 9,339            | 10,175           | 20,075                        |                                 |                       |
| STREET FLEET                                  | -                | 44,600           | 142,189          | 142,993                       |                                 |                       |
| SEWER FLEET                                   | -                | 44,600           | 197,710          | 77,882                        |                                 |                       |
| WATER FLEET                                   | -                | 44,600           | 99,993           | 84,512                        |                                 |                       |
| STORM FLEET                                   | -                | 21,093           | 50,537           | 66,993                        |                                 |                       |
| <b>TOTAL CAPITAL OUTLAY</b>                   | <b>167,072</b>   | <b>211,896</b>   | <b>659,261</b>   | <b>621,566</b>                |                                 |                       |
| <b>RESERVES</b>                               | -                | -                | -                | -                             |                                 |                       |
| <b>TOTAL RESERVE</b>                          | -                | -                | -                | -                             |                                 |                       |
| <b>TOTAL FUND REQUIREMENTS</b>                | <b>167,072</b>   | <b>211,896</b>   | <b>659,261</b>   | <b>621,566</b>                |                                 |                       |
| <b>TOTAL NET FLEET REPLACEMENT FUND</b>       | <b>382,448</b>   | <b>446,602</b>   | -                | -                             |                                 |                       |

## Sewer Fund



*These Lagoons have served for the City's needs for many years, but population now exceeds their capacity. A new Plant is in Design.*

The Sewer Fund is an Enterprise fund that is required to function similar to a utility business. This fund accounts for income received through sewer user fees and costs associated with the sewer system including operations, maintenance, personnel, and some capital improvements of the City's sewer system and wastewater treatment plant.

FY 24-25 features a slight expansion of capital projects while maintaining primary focus on the Wastewater Treatment Plant project. Projected capital projects include replacement of the sewer main on Lola Ln., design of the Taurus pump station upgrade, and replacement of sewer mains along Section St. to facilitate buildout of

the truck route. Additionally, the City will continue the Cured in Place Pipe Program (CIPP) that began in FY22-23 that improves existing sewer mains and resets their useful life to 30+ years at a fraction of the cost to replace them.

In FY23-24 the City focused primarily on necessary system maintenance as we continued to focus and advance the Wastewater Treatment Plant project. The maintenance initiatives completed included a rebuild of effluent pump #1, replacement of the radiator in the backup generator, replacement of filter media, and CIPP on Swiegle (1,247 ft), Berkley (1,271 ft), E Main from Swiegle to Stowers (2,200 ft), and associated cleanout replacements, lateral liners, and spot repairs.



*Biosolids Removal is now a continuous operation at Molalla's Wastewater Treatment Plant*

## Activity Measures from Prior Year

|                           | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------------------------|---------|---------|---------|---------|
| Sewer TV Inspected (Feet) | 1,500   | 5,280   | 2,605   | 6,932   |
| Sewer Cleaned (Feet)      | 9,727   | 11,616  | 13,961  | 48,504  |
| Mainline Replaced (Feet)  | 2,900   | 0       | 1,580   | 0       |
| Manholes Repaired (Each)  | 105     | 20      | 38      | 14      |
| Laterals Repaired (Each)  | 9       | 10      | 34      | 14      |

## **Explanation of Significant Budget Variances**

### 2025 Adopted Budget vs 2024 Projected Actual

- Added line item for short lived asset replacement at \$160,000
- Increased Lift Station Maintenance by \$23,500
- Added a PW Software Services line item.
- Contingency & Reserve Increased by \$229,000

## **Summary of Explanations Above**

Short lived asset replacement line and increased reserve required by USDA and/or DEQ for Wastewater Treatment Plant funding. Digital and IT services increased for new Public Works management platform implementation with approximately 30% constituting first year implementation costs. Lift station maintenance projects increased in order to address maintenance that was deferred while WWTP funding was secured.

## **Goals for 2025**

- ✓ Begin construction of new WWTP.
- ✓ Address deferred maintenance of pump stations.
- ✓ Continue to address eligible sewer mains with CIPP program.

## **2024 Accomplishments**

- ✓ Completed 100% design of WWTP, secured project funding, and completed public bidding and contracting.
- ✓ Completed approximately 4,500 feet of Cured in Place Sewer Main restoration.
- ✓ Completed effluent pump rebuild and main WWTP generator repairs.

## **Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Fostering Socially welcoming activities and embrace diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

- Participated in the Career Fair at Molalla High School to encourage professional development.

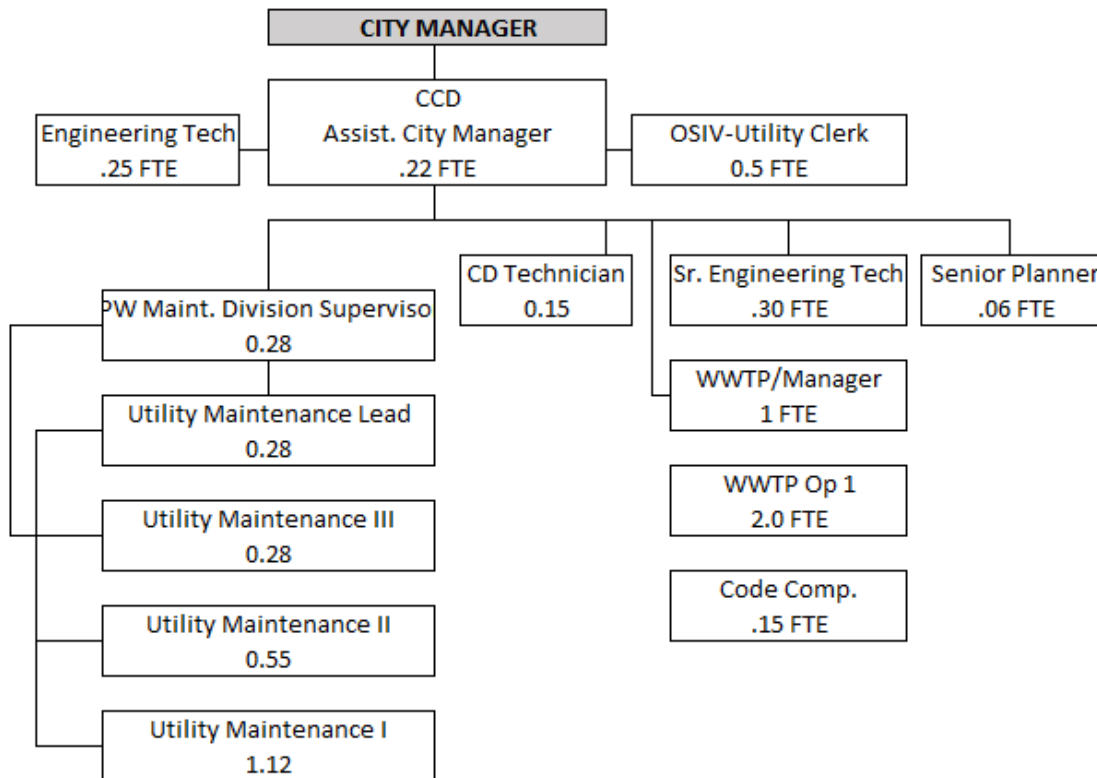
# Staffing

|     | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 |
|-----|----------|----------|----------|----------|
| FTE | 7.85     | 6.69     | 8.14     | 7.14     |

## Changes from Prior Year

- FTE allocation decreased by 1
- Added a WW Quality Manager
- Able to reallocate positions for more effectiveness.

## Personnel Sewer FTE Chart



## SEWER FUND

### Historical Data

### Budget for FY 2024-2025

## RESOURCES

|                                     | 2021-2022        | 2022-2023        | 2023-2024         | 2024-2025        | 2024-2025        | 2024-2025  |
|-------------------------------------|------------------|------------------|-------------------|------------------|------------------|------------|
|                                     | FISCAL           | FISCAL           | FISCAL            | PROPOSED BY      | APPROVED BY      | ADOPTED BY |
|                                     | Actual           | Actual           | Budget            | Budget Officer   | Budget Committee | Council    |
| BEGINNING FUND BALANCE              | 1,713,588        | 2,119,177        | 2,103,522         | 1,781,645        |                  |            |
| <b>REVENUE</b>                      |                  |                  |                   |                  |                  |            |
| MISCELLANEOUS                       | 7,850            | -                | 1,000             | 1,000            |                  |            |
| WASTEWATER DECREE ALLOCATION        | 53,000           | 56,500           | 30,000            | 25,000           |                  |            |
| PLAN REVIEW AND PERMITS             | 6,935            | 21,084           | 10,000            | 3,000            |                  |            |
| MONTHLY USER FEE                    | 3,458,099        | 3,985,315        | 4,100,000         | 4,350,000        |                  |            |
| SERVICE CONNECTIONS                 | 7,800            | 4,850            | 3,000             | 4,500            |                  |            |
| INTEREST                            | -                | -                | 86,197            | 75,000           |                  |            |
| DEQ LOAN                            | 623,069          | 886,623          | 21,226,521        | -                |                  |            |
| <b>TOTAL FUND REVENUES</b>          | <b>4,156,754</b> | <b>4,954,371</b> | <b>25,456,718</b> | <b>4,458,500</b> |                  |            |
| <b>TOTAL BEGINNING FUND BALANCE</b> | <b>1,713,588</b> | <b>2,119,177</b> | <b>2,103,522</b>  | <b>1,781,645</b> |                  |            |
| <b>TOTAL SEWER FUND RESOURCES</b>   | <b>5,870,342</b> | <b>7,073,548</b> | <b>27,560,240</b> | <b>6,240,145</b> |                  |            |

## REQUIREMENTS

### PERSONNEL SERVICES

|                                 |                |                |                |                |
|---------------------------------|----------------|----------------|----------------|----------------|
| BENEFITS AND TAXES              | 237,822        | 286,770        | 297,000        | 259,965        |
| SALARIES AND WAGES              | 467,495        | 519,821        | 629,288        | 566,000        |
| <b>TOTAL PERSONNEL SERVICES</b> | <b>705,317</b> | <b>806,592</b> | <b>926,288</b> | <b>825,965</b> |
| FTE                             | 7.85           | 6.69           | 8.14           | 7.14           |

### MATERIALS & SERVICES

|                               |         |         |         |         |
|-------------------------------|---------|---------|---------|---------|
| POWER                         | 186,022 | 199,043 | 245,000 | 275,000 |
| PHONE                         | 9,836   | 10,796  | 12,000  | 9,000   |
| NATURAL GAS                   | 755     | 942     | 750     | 1,200   |
| COMPUTER NETWORK              | 10,971  | 13,059  | 17,000  | 30,000  |
| LEGAL & RECORDING             | 96,355  | 163,998 | 150,000 | 148,000 |
| INSURANCE/LIABILITY/GEN       | 29,306  | 31,012  | 35,000  | 42,300  |
| COST ALLOCATION AGREEMENT     | 139,634 | 177,380 | 248,767 | 371,608 |
| POSTAGE                       | 10,157  | 10,765  | 13,300  | 16,000  |
| OFFICE SUPPLIES               | -       | -       | -       | 2,000   |
| SHORT LIVED ASSET REPLACEMENT | -       | -       | -       | 160,000 |
| PW SOFTWARE SERVICES          | -       | -       | -       | 28,000  |

## REQUIREMENTS

### SEWER MAINTENANCE DIVISION

#### MATERIALS & SERVICES

|                          |        |        |         |        |
|--------------------------|--------|--------|---------|--------|
| OPERATIONS & MAINTENANCE | 33,000 | 44,931 | 140,000 | 45,000 |
| BUILDING MAINTENANCE     | 741    | 38,671 | 50,000  | 15,000 |
| TRAINING & CONF. TRAVEL  | 2,053  | 1,618  | 9,500   | 7,000  |
| DUES & MEMBERSHIP        | 485    | 1,275  | 3,900   | 2,000  |
| PROFESSIONAL SERVICES    | 14,606 | 18,267 | 20,000  | 45,000 |
| VEHICLE FUEL             | 4,998  | 8,297  | 18,500  | 10,000 |
| VEHICLE REPAIR           | 9,759  | 8,963  | 28,000  | 17,500 |

|  |                |                |                  |                  |
|--|----------------|----------------|------------------|------------------|
| UNIFORMS & SAFETY GEAR                       | 1,128          | 2,432          | 6,000            | 5,000            |
| SEWER LINE REPAIR                            | 23,023         | 16,268         | 10,000           | 45,000           |
| PERMITS                                      | 45             | -              | 19,781           | -                |
| SMALL EQUIP/TOOLS                            | 942            | 1,995          | 2,500            | 3,000            |
| LIFT STATION MAINT                           | 21,664         | 14,147         | 7,500            | 28,000           |
| <b>TOTAL MAINT. MATERIALS &amp; SERVICES</b> | <b>595,480</b> | <b>763,858</b> | <b>1,037,498</b> | <b>1,305,608</b> |

**SEWER OPERATIONS DIVISION  
MATERIALS & SERVICES**

|  |                  |                  |                |                |
|--|------------------|------------------|----------------|----------------|
| OPERATIONS & MAINTENANCE                         | 146,232          | 66,714           | -              | 105,000        |
| BUILDING MAINTENANCE                             | 13,150           | 17,947           | -              | 20,000         |
| TRAINING & CONF. TRAVEL                          | 1,442            | 4,516            | -              | 4,500          |
| VEHICLE FUEL                                     | 4,374            | 4,775            | -              | 5,250          |
| VEHICLE REPAIR                                   | 3,812            | 5,420            | -              | 10,000         |
| IRRIGATION FUEL                                  | 14,219           | 21,218           | 26,500         | 32,500         |
| UNIFORMS & SAFETY GEAR                           | 2,082            | 1,858            | -              | 2,500          |
| BIOSOLIDS REMOVAL                                | 731,120          | 930,113          | 700,000        | 300,000        |
| EFFLUENT MONITORING                              | 8,560            | 12,564           | 2,500          | 2,500          |
| LAB SUPPLIES/EQUIPMENT                           | 19,416           | 18,709           | 20,000         | 20,500         |
| CHLORINE & CHEMICALS                             | 215,060          | 236,293          | 250,000        | 299,500        |
| PERMITS  | 4,145            | 918              | -              | 5,200          |
| INFLOW & INFILTRATION                            | 79,736           | 29,000           | -              | -              |
| DUES & MEMBERSHIP                                | 884              | -                | -              | -              |
| PROFESSIONAL SERVICES                            | -                | -                | -              | 20,000         |
| SMALL EQUIP/TOOLS                                | -                | -                | -              | 3,000          |
| <b>TOTAL OPERATIONS-MATERIALS &amp; SERVICES</b> | <b>1,244,232</b> | <b>1,350,045</b> | <b>999,000</b> | <b>830,450</b> |

**CAPITAL OUTLAY**

|                             |               |               |                   |                |
|-----------------------------|---------------|---------------|-------------------|----------------|
| CAPITAL IMPROVEMENTS        | -             | -             | 21,226,521        | 650,000        |
| SEWER EQUIPMENT             | 74,663        | 87,000        | 15,000            | -              |
| <b>TOTAL CAPITAL OUTLAY</b> | <b>74,663</b> | <b>87,000</b> | <b>21,241,521</b> | <b>650,000</b> |

**TRANSFERS OUT**

|                                |                  |                  |                |                |
|--------------------------------|------------------|------------------|----------------|----------------|
| TRANSFER TO SEWER DEBT         | 381,486          | 380,625          | 633,776        | 654,690        |
| TRANSFER TO WWTP FUND          | -                | -                | -              | -              |
| TRANSFER TO CWSRF#2            | 2,000            | -                | -              | -              |
| TRANSFER TO WATER              | 5,000            | 5,000            | 5,000          | 5,000          |
| TRANSFER TO CAPITAL PROJECT F  | 721,262          | 2,070,000        | -              | -              |
| TRANSFER TO FLEET REPLACE FUND | 21,725           | 21,725           | 121,725        | 121,725        |
| <b>TOTAL TRANSFERS OUT</b>     | <b>1,131,473</b> | <b>2,477,350</b> | <b>760,501</b> | <b>781,415</b> |

**CONTINGENCY/Reserve**

|                                    |          |          |                  |                  |
|------------------------------------|----------|----------|------------------|------------------|
| CONTINGENCY                        | -        | -        | 800,000          | 800,000          |
| FB RESERVE/PERS                    | -        | -        | 25,000           | 5,000            |
| RESERVE-WWTP FUNDING               | -        | -        | -                | -                |
| FB RESERVE                         | -        | -        | 1,572,431        | 1,041,707        |
| <b>TOTAL OPERATING CONTINGENCY</b> | <b>-</b> | <b>-</b> | <b>2,397,431</b> | <b>1,846,707</b> |

|                                 |                  |                  |                   |                  |
|---------------------------------|------------------|------------------|-------------------|------------------|
| <b>TOTAL SEWER REQUIREMENTS</b> | <b>3,751,165</b> | <b>5,484,845</b> | <b>27,560,240</b> | <b>6,240,145</b> |
|---------------------------------|------------------|------------------|-------------------|------------------|

|                                     |           |           |            |           |
|-------------------------------------|-----------|-----------|------------|-----------|
| TOTAL FUND RESOURCES & FUND BALANCE | 5,870,342 | 7,073,548 | 27,560,240 | 6,240,145 |
|-------------------------------------|-----------|-----------|------------|-----------|

|                                |                  |                  |                   |                  |
|--------------------------------|------------------|------------------|-------------------|------------------|
| <b>TOTAL FUND REQUIREMENTS</b> | <b>3,751,165</b> | <b>5,484,845</b> | <b>27,560,240</b> | <b>6,240,145</b> |
|--------------------------------|------------------|------------------|-------------------|------------------|

|                             |                  |                  |          |          |
|-----------------------------|------------------|------------------|----------|----------|
| <b>TOTAL NET SEWER FUND</b> | <b>2,119,177</b> | <b>1,588,703</b> | <b>-</b> | <b>-</b> |
|-----------------------------|------------------|------------------|----------|----------|

## Water Fund

The Water Fund is an Enterprise fund that is required to function similar to a utility business. This fund accounts for income received through water user fees and costs associated with the water system including operations, maintenance, personnel, and some capital improvements of the City's water system and water treatment plant.

Beginning fund balance is projected to decrease slightly due to a number of substantial water maintenance and capital projects completed and currently underway while revenues from monthly user fees are expected to increase slightly based on the new rate schedule adopted in 2021, and the annual inflationary adjustment based on the Consumer Price Index.

Personnel costs are projected to increase slightly due to proportionate cost shares for the new Community Development Technician position, and normal step and COLA increases for existing staff. Materials and Services costs for the overall system are projected to increase due to rising costs associated with record inflation and some very important maintenance projects such as the rebuild of influent pump #1, reservoir safety upgrades, and SCADA system updates.

In FY 23-24, the City began due diligence studies of the land for the addition of a 2.0mg Water Storage Tank, completed a rebuild of influent pump #1, caught up on deferred building maintenance, completed phase 1 of the SCADA system upgrade, and is in the process of placing a 12" main line down S Molalla Ave to serve the undeveloped industrial area. Additional projects underway include a state mandated lead and copper service line inventory, design of pressure release valves for system resiliency, and pre-design studies for a new Water intake.

The budget for FY24-25 continues the aggressive capital project approach from FY23-24 in terms of both continuing the incomplete projects referenced above and the addition of:

1. Main replacement on the remainder of Lola Ave.
2. Main replacement in association with Section St. Rebuild
3. Main extension for Chief Yelkus Park.
4. Wellhead Feasibility Studies.

***More about Molalla's Water System on the Molalla Current! [Go, HERE!](#)***





## Activity Measures from Prior Year, with Performance Percentages from prior year.

|                                 | FY 2020-21 | FY 2021-22 | FY 2022-23 Estimated | Did Water Meet Estimates | Performance Percentag | FY 2023-24 Projected |
|---------------------------------|------------|------------|----------------------|--------------------------|-----------------------|----------------------|
| Water Usage Billed (cubic feet) | 40,862,016 | 35,289,922 | 37,479,000           | Yes 39,900,081           | 106%                  | 41,000,000           |
| New Water Meters Installed      | 39         | 97         | 90                   | No 70                    | 78%                   | 80                   |
| Service Orders Processed        | 807        | 700        | 775                  | Yes 828                  | 107%                  | 885                  |
| Water Meters Read               | 35,853     | 32,000     | 33,000               | Yes 35,289               | 107%                  | 36,000               |

### Explanation of Significant Budget Variances

#### 2025 Adopted Budget vs 2024 Projected Actual

- Record inflation affecting material and service costs.
- Aggressive capital improvement schedule.
- Continuing to catch up on deferred maintenance.

### Summary of Explanations Above

Record inflation has impacted everyone over the past few years and continues to be a major budgetary issue. However, the maintenance and capital needs of the system must still be met. Capital projects add users to the system to help offset rising costs through economies of scale. Capital and maintenance projects also create efficiencies in operations and reduce water loss to help ensure a top tier product at the lowest possible price point.

### Goals for 2025

- ✓ Substantial completion of pre-design studies for new water intakes.
- ✓ Continued mitigation of water loss through capital and maintenance projects.
- ✓ Finalize design of Pressure Reducing Valves.
- ✓ Complete due diligence of land acquisition for 2.0mg tank and finalize purchase.
- ✓ Complete rebuild of pump #1 and SCADA system upgrades.
- ✓ Complete installation of water main to serve undeveloped industrial area.
- ✓ Complete Chief Yelkus Park waterline project to serve new park.

## **2024 Accomplishments**

- ✓ Complete option contract for property to facilitate 2.0mg tank.
- ✓ Completed Phase 1 of SCADA upgrades and pump #2 rebuild.
- ✓ Secured engineering services for new water intake preliminary studies.
- ✓ Completed design of PRV system and identified ROW acquisition needs.
- ✓ Completed main replacement on Eckerd, Lola, 2<sup>nd</sup>.

## **Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Fostering Socially welcoming activities and embracing diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

- Participated in the Career Fair at Molalla High School to encourage professional development.

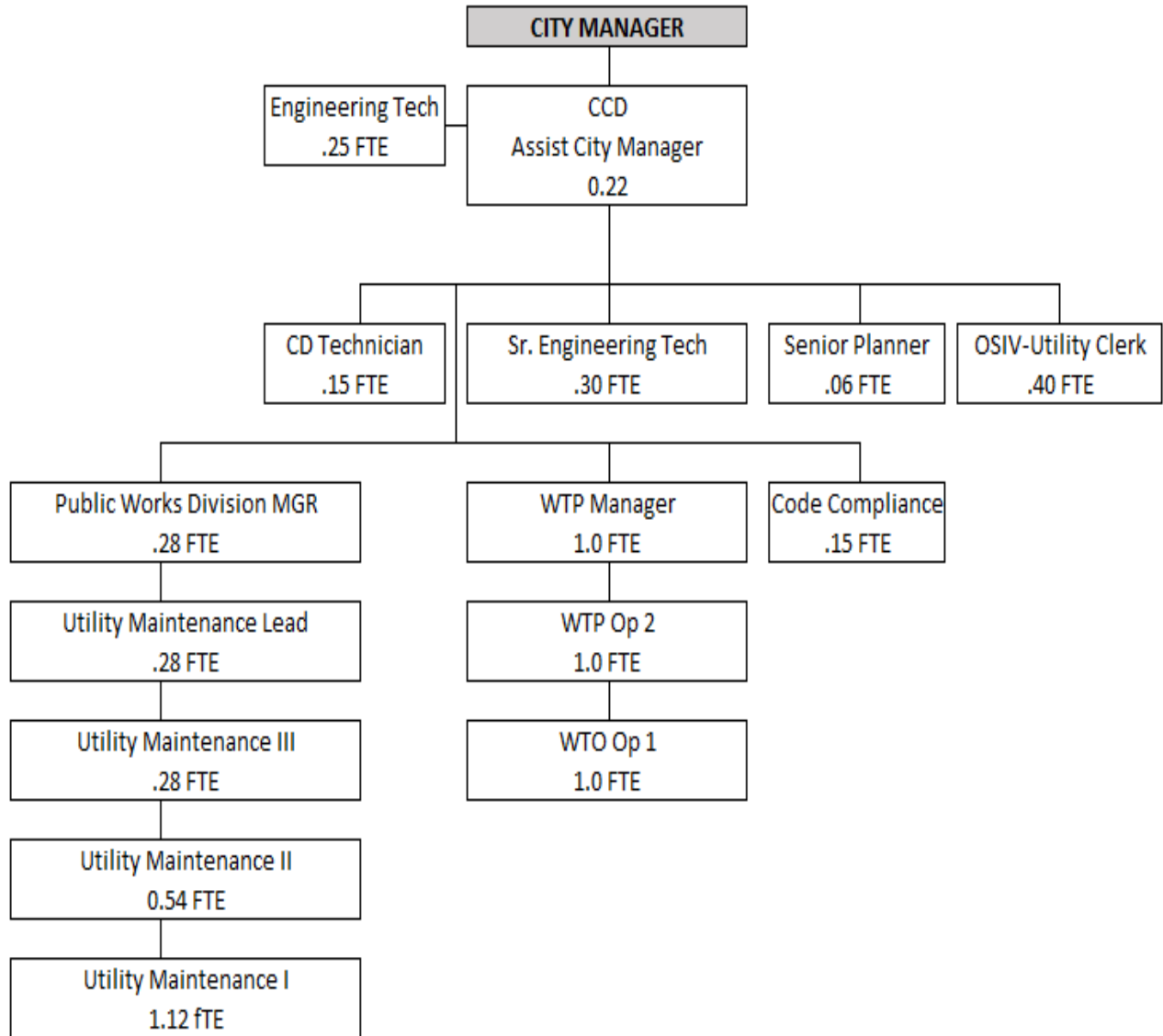
## **Staffing**

|              | <b>FY<br/>20-21</b> | <b>FY<br/>21-22</b> | <b>FY<br/>22-23</b> | <b>FY<br/>23/24</b> | <b>FY<br/>24-25</b> |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Water</b> | 5.84                | 5.84                | 5.58                | 6.03                | 7.03                |

## **Changes from Prior Year**

- Increase of 1.0 FTE

# Personnel Water FTE Chart



# WATER FUND

## RESOURCES

|                                     | Historical Data  |                  | Budget for FY 2024-2025 |                                  |                                    |                       |
|-------------------------------------|------------------|------------------|-------------------------|----------------------------------|------------------------------------|-----------------------|
|                                     | 2021-2022        | 2022-2023        | 2023-2024               | 2024-2025                        | 2024-2025                          | 2024-2025             |
|                                     | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget        | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| BEGINNING FUND BALANCE              | 2,660,447        | 2,791,310        | 2,619,156               | <b>3,140,539</b>                 |                                    |                       |
| <b>REVENUE</b>                      |                  |                  |                         |                                  |                                    |                       |
| MISCELLANEOUS                       | 1,414            | 335              | -                       | <b>3,000</b>                     |                                    |                       |
| PLAN REVIEW AND PERMITS             | 14,605           | 12,925           | 12,000                  | <b>2,500</b>                     |                                    |                       |
| MONTHLY USER FEE                    | 1,766,265        | 2,075,579        | 2,500,000               | <b>2,300,000</b>                 |                                    |                       |
| SERVICE CONNECTIONS                 | 9,000            | 5,450            | 3,000                   | <b>6,000</b>                     |                                    |                       |
| INTEREST                            | -                | -                | 52,053                  | <b>75,000</b>                    |                                    |                       |
| TRANSFER FROM GENERAL               | -                | -                | -                       | <b>275,000</b>                   |                                    |                       |
| TRANSFER FROM WATER IMP-SDC         | -                | -                | 150,000                 | -                                |                                    |                       |
| TRANSFER FROM SEWER                 | 5,000            | 5,000            | 5,000                   | <b>5,000</b>                     |                                    |                       |
| <b>TOTAL FUND REVENUES</b>          | <b>1,796,284</b> | <b>2,099,289</b> | <b>2,722,053</b>        | <b>2,666,500</b>                 |                                    |                       |
| <b>TOTAL BEGINNING FUND BALANCE</b> | <b>2,660,447</b> | <b>2,791,310</b> | <b>2,619,156</b>        | <b>3,140,539</b>                 |                                    |                       |
| <b>TOTAL WATER FUND RESOURCES</b>   | <b>4,456,731</b> | <b>4,890,599</b> | <b>5,341,209</b>        | <b>5,807,039</b>                 |                                    |                       |

## REQUIREMENTS

### PERSONNEL SERVICES

|                                 |                |                |                |                |  |  |
|---------------------------------|----------------|----------------|----------------|----------------|--|--|
| BENEFITS AND TAXES              | 229,956        | 254,780        | 238,920        | <b>297,976</b> |  |  |
| SALARIES AND WAGES              | 459,175        | 484,048        | 465,088        | <b>575,002</b> |  |  |
| <b>TOTAL PERSONNEL SERVICES</b> | <b>689,131</b> | <b>738,828</b> | <b>704,008</b> | <b>872,978</b> |  |  |
| FTE                             | 6              | 6              | 6              | <b>7</b>       |  |  |

### MATERIALS & SERVICES

|                           |        |        |         |                |  |  |
|---------------------------|--------|--------|---------|----------------|--|--|
| POWER                     | 72,333 | 86,543 | 90,000  | <b>115,000</b> |  |  |
| PHONE                     | 10,275 | 11,223 | 12,500  | <b>9,000</b>   |  |  |
| NATURAL GAS               | -      | -      | 200     | <b>1,000</b>   |  |  |
| LEGAL & RECORDING         | 580    | 2,340  | 2,500   | <b>5,000</b>   |  |  |
| INSURANCE/LIABILITY/GEN   | 34,306 | 39,873 | 45,000  | <b>49,500</b>  |  |  |
| POSTAGE                   | 10,306 | 10,841 | 12,500  | <b>16,000</b>  |  |  |
| COMPUTER NETWORK          | 10,971 | 13,059 | 15,500  | <b>23,000</b>  |  |  |
| PW SOFTWARE SERVICES      | -      | -      | -       | <b>23,500</b>  |  |  |
| COST ALLOCATION AGREEMENT | 56,009 | 74,307 | 113,100 | <b>169,647</b> |  |  |
| OFFICE SUPPLIES           | -      | -      | 1,500   | <b>2,000</b>   |  |  |
| CONTRACT SERVICES         | -      | -      | 13,500  | -              |  |  |

### MATERIALS & SERVICES

*Continued*

# WATER FUND

## RESOURCES

|   | Historical Data  |                  | Budget for FY 2024-2025 |                                  |                                    |                       |
|---|------------------|------------------|-------------------------|----------------------------------|------------------------------------|-----------------------|
|   | 2021-2022        | 2022-2023        | 2023-2024               | 2024-2025                        | 2024-2025                          | 2024-2025             |
|   | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget        | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| <b>MAINTENANCE SECTION <i>cont</i></b>            |                  |                  |                         |                                  |                                    |                       |
| <b>MATERIALS &amp; SERVICES</b>                   |                  |                  |                         |                                  |                                    |                       |
| OPERATIONS & MAINTENANCE                          | 56,990           | 66,253           | 143,000                 | <b>50,000</b>                    |                                    |                       |
| BUILDING MAINTENANCE                              | 586              | 3,489            | 29,000                  | <b>15,000</b>                    |                                    |                       |
| TRAINING & CONF. TRAVEL                           | 4,006            | 4,371            | 8,500                   | <b>8,000</b>                     |                                    |                       |
| DUES & MEMBERSHIP                                 | 1,685            | 1,580            | 2,400                   | <b>2,400</b>                     |                                    |                       |
| PROFESSIONAL SERVICES                             | 50,624           | 27,089           | 20,000                  | <b>15,000</b>                    |                                    |                       |
| VEHICLE FUEL                                      | 4,941            | 10,537           | 20,500                  | <b>10,000</b>                    |                                    |                       |
| VEHICLE REPAIR                                    | 7,111            | 7,790            | 20,000                  | <b>17,500</b>                    |                                    |                       |
| UNIFORMS & SAFETY GEAR                            | 1,438            | 2,344            | 5,400                   | <b>3,500</b>                     |                                    |                       |
| WATER LINE REPAIR                                 | 33,985           | 96,946           | 90,000                  | <b>80,000</b>                    |                                    |                       |
| NEW WATER CONNECTIONS                             | 980              | 18               | 2,500                   | <b>6,000</b>                     |                                    |                       |
| CHLORINE & CHEMICALS                              | -                | -                | 35,000                  | -                                |                                    |                       |
| SMALL EQUIP/TOOLS                                 | 1,311            | 2,489            | 2,500                   | <b>3,000</b>                     |                                    |                       |
| NEW WATER METERS                                  | 31,431           | 47,676           | 45,000                  | <b>75,000</b>                    |                                    |                       |
| PERMITS   | -                | -                | 9,500                   | -                                |                                    |                       |
| <b>TOTAL MAINTENANCE-MATERIALS &amp; SERVICES</b> | <b>389,868</b>   | <b>508,768</b>   | <b>739,600</b>          | <b>699,047</b>                   |                                    |                       |
| <b>TREATMENT PLANT</b>                            |                  |                  |                         |                                  |                                    |                       |
| <b>MATERIALS &amp; SERVICES</b>                   |                  |                  |                         |                                  |                                    |                       |
| OPERATIONS & MAINTENANCE                          | 38,926           | 71,447           | -                       | <b>120,000</b>                   |                                    |                       |
| BUILDING MAINTENANCE                              | 9,985            | 31,933           | -                       | <b>20,000</b>                    |                                    |                       |
| TRAINING & CONF. TRAVEL                           | 663              | 834              | -                       | <b>8,000</b>                     |                                    |                       |
| DUES & MEMBERSHIP                                 | -                | -                | -                       | <b>2,400</b>                     |                                    |                       |
| VEHICLE FUEL                                      | 4,420            | 7,397            | -                       | <b>8,500</b>                     |                                    |                       |
| VEHICLE REPAIR                                    | 1,968            | 2,875            | -                       | <b>5,000</b>                     |                                    |                       |
| UNIFORMS & SAFETY GEAR                            | 1,307            | 1,975            | -                       | <b>2,000</b>                     |                                    |                       |
| LAB SUPPLIES/EQUIPMENT                            | -                | 9,481            | 8,000                   | <b>10,000</b>                    |                                    |                       |
| CHLORINE & CHEMICALS                              | 31,826           | 30,976           | -                       | <b>50,000</b>                    |                                    |                       |
| PERMITS   | 3,178            | -                | -                       | <b>5,000</b>                     |                                    |                       |
| PROFESSIONAL SERVICES                             | -                | -                | -                       | <b>3,000</b>                     |                                    |                       |
| PROFESSIONAL SERVICES                             | -                | -                | -                       | <b>26,000</b>                    |                                    |                       |
| <b>TOTAL OPERATIONS-MATERIALS &amp; SERVICES</b>  | <b>92,273</b>    | <b>156,918</b>   | <b>8,000</b>            | <b>259,900</b>                   |                                    |                       |
| <b>CAPITAL OUTLAY</b>                             |                  |                  |                         |                                  |                                    |                       |
| CAPITAL IMPROVEMENTS                              | -                | -                | 1,155,000               | <b>1,615,000</b>                 |                                    |                       |
| CAPITAL IMPROVEMENTS                              | -                | -                | -                       | <b>275,000</b>                   |                                    |                       |
| WATER IMP SDC CAPITAL PROJ                        | -                | -                | 150,000                 | -                                |                                    |                       |
| WATER EQUIPMENT                                   | -                | 13,497           | 6,000                   | <b>35,100</b>                    |                                    |                       |
| <b>TOTAL CAPITAL OUTLAY</b>                       | <b>-</b>         | <b>13,497</b>    | <b>1,311,000</b>        | <b>1,925,100</b>                 |                                    |                       |

## WATER FUND

|   | Historical Data  |                  | Budget for FY 2024-2025 |                                  |                                    |                       |
|---|------------------|------------------|-------------------------|----------------------------------|------------------------------------|-----------------------|
|   | 2021-2022        | 2022-2023        | 2023-2024               | 2024-2025                        | 2024-2025                          | 2024-2025             |
|   | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget        | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| <b>TRANSFERS OUT</b>                    |                  |                  |                         |                                  |                                    |                       |
| TRANSFER TO CAPITAL PROJECT F           | 472,423          | 907,331          | -                       | -                                |                                    |                       |
| TRANSFER TO FLEET REPLACE FUND          | 21,725           | 21,725           | 21,725                  | <b>21,725</b>                    |                                    |                       |
| <b>TOTAL TRANSFERS OUT</b>              | <b>494,148</b>   | <b>929,056</b>   | <b>21,725</b>           | <b>21,725</b>                    |                                    |                       |
| <b>CONTINGENCY</b>                      |                  |                  |                         |                                  |                                    |                       |
| OPERATING CONTINGENCY                   | -                | -                | 500,000                 | <b>500,000</b>                   |                                    |                       |
| <b>TOTAL OPERATING CONTINGENCY</b>      | <b>-</b>         | <b>-</b>         | <b>500,000</b>          | <b>500,000</b>                   |                                    |                       |
| <b>RESERVE</b>                          |                  |                  |                         |                                  |                                    |                       |
| FB RESERVE                              | -                | -                | 2,056,876               | <b>1,528,289</b>                 |                                    |                       |
| <b>TOTAL RESERVE</b>                    | <b>-</b>         | <b>-</b>         | <b>2,056,876</b>        | <b>1,528,289</b>                 |                                    |                       |
| <b>TOTAL WATER REQUIREMENTS</b>         | <b>1,665,420</b> | <b>2,347,067</b> | <b>5,341,209</b>        | <b>5,807,039</b>                 |                                    |                       |
| <b>TOTAL RESOURCES AND FUND BALANCE</b> | <b>4,456,731</b> | <b>4,890,599</b> | <b>5,341,209</b>        | <b>5,807,039</b>                 |                                    |                       |
| <b>TOTAL FUND REQUIREMENTS</b>          | <b>1,665,420</b> | <b>2,347,067</b> | <b>5,341,209</b>        | <b>5,807,039</b>                 |                                    |                       |
| <b>TOTAL NET WATER FUND</b>             | <b>2,791,310</b> | <b>2,543,532</b> | <b>-</b>                | <b>-</b>                         |                                    |                       |

# Stormwater Fund



*The new Decant Facility located at the PW Shops*

The Storm Fund is an Enterprise fund that provides the labor, equipment, and supplies necessary to operate and maintain the City Storm-Sewer System.

The mission of the Storm System is twofold, (1) to handle flooding adequately, and (2) achieve compliance with environmental regulations. The primary source of revenue for this fund is a User Fee, which appears on the City’s utility

bills monthly, and is expected to increase slightly due to an annual inflation increase based on the Consumer Price Index.

In FY23-24 the City completed a 5-year TMDL Plan update and began the Storm Water Master Planning process. Additionally, City staff implemented a storm facility management and enforcement program.

In FY23-25 the Stormwater master plan will be completed and allow City staff to bring a Capital Improvement plan amendment to the City Council for adoption and implementation. With extremely limited resources, staff expects to identify low-cost projects to begin immediately while outside funding resources are considered for larger projects.

## Activity Measures from Prior Year, with Performance Percentages from prior year.

|                         | FY 2020-21 | FY 2021-22 | FY 2022-23 | Did Stormwater Meet Expectations For 2023 | Performance Percentages | FY 2023-24 Projected |
|-------------------------|------------|------------|------------|---|-------------------------|----------------------|
| Sweeping Debris Removed | 340,000    | 110,000    | 200,000    | Yes                                       | 100%                    | 225,000              |

## **Explanation of Significant Budget Variances**

2025 Adopted Budget vs 2024 Projected Actual

- Increased Digital Platforms & services by \$23,000

## **Summary of Explanations Above**

The increase is due in part to purchase and implementation of the City's new Public Works management platform, and in part to a more fair proportion of the cost allocations for IT services. Approximately 20% of these costs are one time for platform implementation.

## **Goals for 2025**

- ✓ Continue working on the stormwater masterplan.
- ✓ Implement iWorQ public works management platform.

## **2024 Accomplishments**

- ✓ Completed update of the 5-year TMDL plan
- ✓ Began the substantive work on the Storm Master Plan update.
- ✓

## **Goals Aligned with Molalla Area Vision and Action Plan 2030 (Focus Area #2)**

Develop the physical infrastructure needed to support a welcoming community.

- Increased communication through the [Molalla Current](#), which supports infrastructure needs and a welcoming community.

Fostering Socially welcoming activities and embracing diversity as our strength.

- Participates in the City-Wide Newsletter that offers a bilingual version.
- Molalla Current can also be easily converted to Spanish.

Engage youth:

- Participated in the Career Fair at Molalla High School to encourage professional development.

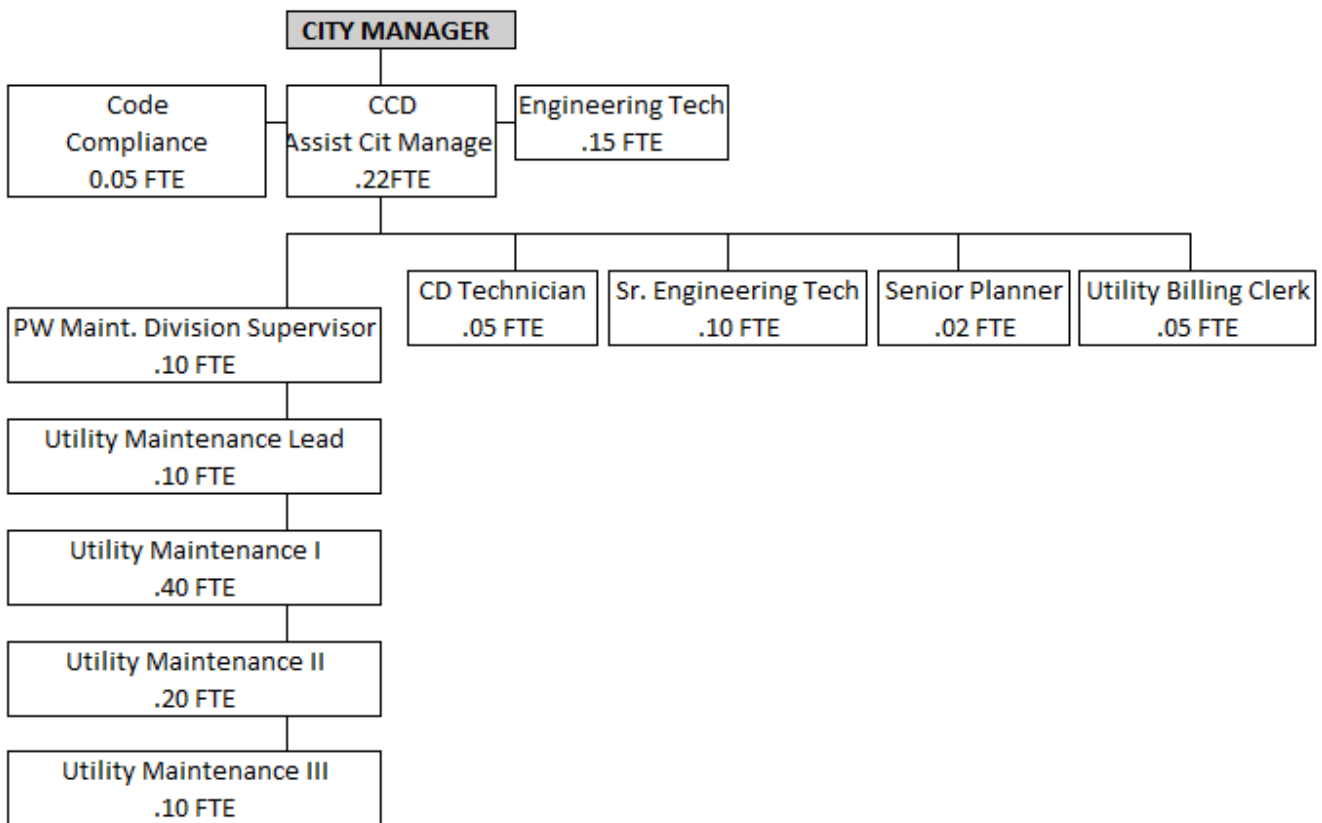


# Staffing

|               | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 |
|---------------|----------|----------|----------|----------|----------|
| Full Time FTE | 1.47     | 1.47     | 1.37     | 1.54     | 1.54     |

## Changes from Prior Year

- No Changes in FTE's from previous year.



## STORM WATER FUND

### RESOURCES

|   | Historical Data  |                  |                  | Budget for FY 2024-2025          |                                    |                       |
|---|------------------|------------------|------------------|----------------------------------|------------------------------------|-----------------------|
|   | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                        | 2024-2025                          | 2024-2025             |
|   | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget<br>Officer | APPROVED BY<br>Budget<br>Committee | ADOPTED BY<br>Council |
| BEGINNING FUND BALANCE                  | 237,773          | 322,063          | 374,698          | 432,190                          |                                    |                       |
| <b>REVENUE</b>                          |                  |                  |                  |                                  |                                    |                       |
| INTEREST                                | -                | -                | 7,573            | 15,000                           |                                    |                       |
| PLAN REVIEW AND PERMITS                 | 13,672           | 8,618            | 5,000            | 10,000                           |                                    |                       |
| TRANSFER FROM STORM IMP-SDC             | -                | -                | 160,763          | -                                |                                    |                       |
| MONTHLY USER FEE                        | 316,005          | 337,790          | 350,000          | 355,000                          |                                    |                       |
| <b>TOTAL FUND REVENUES</b>              | <b>329,677</b>   | <b>346,408</b>   | <b>523,336</b>   | <b>380,000</b>                   |                                    |                       |
| TOTAL BEGINNING FUND BALANCE            | 237,773          | 322,063          | 374,698          | 432,190                          |                                    |                       |
| <b>TOTAL STORM WATER FUND RESOURCES</b> | <b>567,451</b>   | <b>668,471</b>   | <b>898,034</b>   | <b>812,190</b>                   |                                    |                       |

# STORM WATER FUND

## REQUIREMENTS

|   | Historical Data |                |                | Budget for FY 2024-2025 |             |            |
|---|-----------------|----------------|----------------|-------------------------|-------------|------------|
|   | 2021-2022       | 2022-2023      | 2023-2024      | 2024-2025               | 2024-2025   | 2024-2025  |
|   | FISCAL          | FISCAL         | FISCAL         | PROPOSED BY             | APPROVED BY | ADOPTED BY |
|   | Actual          | Actual         | Budget         | Budget                  | Budget      | Council    |
|   |                 |                |                | Officer                 | Committee   |            |
| <b>PERSONNEL SERVICES</b>               |                 |                |                |                         |             |            |
| BENEFITS AND TAXES                      | 52,131          | 63,484         | 64,661         | 65,046                  |             |            |
| SALARIES AND WAGES                      | 87,841          | 107,172        | 136,174        | 131,411                 |             |            |
| <b>TOTAL PERSONNEL SERVICES</b>         | <b>139,972</b>  | <b>170,655</b> | <b>200,835</b> | <b>196,457</b>          |             |            |
| FTE                                     | 1.47            | 1.37           | 1.54           | 1.54                    |             |            |
| <b>MATERIALS &amp; SERVICES</b>         |                 |                |                |                         |             |            |
| PHONE                                   | -               | -              | -              | 7,500                   |             |            |
| OPERATIONS & MAINTENANCE                | 15,255          | 25,852         | 18,000         | 20,000                  |             |            |
| DECANTED WASTE DISPOSAL                 | -               | -              | 25,000         | 25,000                  |             |            |
| BUILDING MAINTENANCE                    | 121             | 4,941          | 1,300          | 2,000                   |             |            |
| TRANING & CONF. TRAVEL                  | 171             | 621            | 1,000          | 1,500                   |             |            |
| DUES & MEMBERSHIP                       | 149             | 397            | 700            | 500                     |             |            |
| POSTAGE                                 | 2,124           | 2,484          | 3,000          | 3,200                   |             |            |
| COMPUTER NETWORK                        | 1,865           | 1,810          | 3,000          | 15,500                  |             |            |
| PROFESSIONAL SERVICES                   | 4,968           | 14,810         | 20,000         | 20,000                  |             |            |
| LEGAL & RECORDING                       | -               | 1,582          | 500            | -                       |             |            |
| INSURANCE/LIABILITY/GEN                 | 7,806           | 11,076         | 13,000         | 16,000                  |             |            |
| VEHICLE FUEL                            | 1,452           | 4,185          | 5,400          | 6,000                   |             |            |
| VEHICLE REPAIR                          | 3,168           | 4,605          | 5,000          | 6,000                   |             |            |
| UNIFORMS & SAFETY GEAR                  | 533             | 1,983          | 2,500          | 2,500                   |             |            |
| COST ALLOCATION AGREEMENT               | 21,051          | 13,034         | 21,632         | 32,314                  |             |            |
| SMALL EQUIP/TOOLS                       | 483             | 951            | 1,000          | 1,500                   |             |            |
| STORM DRAINS                            | 51              | 340            | -              | -                       |             |            |
| <b>TOTAL MATERIALS AND SERVICES</b>     | <b>59,194</b>   | <b>88,669</b>  | <b>121,032</b> | <b>159,514</b>          | -           | -          |
| <b>CAPITAL OUTLAY</b>                   |                 |                |                |                         |             |            |
| CAPITAL IMPROVEMENTS                    | -               | -              | -              | 200,000                 |             |            |
| STORM IMP SDC CAPITAL PROJ              | -               | -              | 160,763        | -                       |             |            |
| STORM EQUIPMENT                         | 5,882           | -              | 2,000          | 2,000                   |             |            |
| <b>TOTAL CAPITAL OUTLAY</b>             | <b>5,882</b>    | <b>-</b>       | <b>162,763</b> | <b>202,000</b>          |             |            |
| <b>TRANSFERS OUT</b>                    |                 |                |                |                         |             |            |
| TRANSFER TO CAPITAL PROJECT F           | 2,738           | 4,000          | -              | -                       |             |            |
| TRANSFER TO FLEET REPLACE FUND          | 26,400          | 26,400         | 26,400         | 15,000                  |             |            |
| <b>TOTAL TRANSFERS OUT</b>              | <b>29,138</b>   | <b>30,400</b>  | <b>26,400</b>  | <b>15,000</b>           |             |            |
| <b>CONTINGENCY</b>                      |                 |                |                |                         |             |            |
| CONTINGENCY                             | -               | -              | 100,000        | 150,000                 |             |            |
| FB RESERVE/PERS                         | -               | -              | 25,000         | -                       |             |            |
| <b>TOTAL OPERATING CONTINGENCY</b>      | <b>-</b>        | <b>-</b>       | <b>125,000</b> | <b>150,000</b>          |             |            |
| <b>RESERVE</b>                          |                 |                |                |                         |             |            |
| FB RESERVE                              | -               | -              | 262,004        | 89,219                  |             |            |
| <b>TOTAL RESERVE</b>                    | <b>-</b>        | <b>-</b>       | <b>262,004</b> | <b>89,219</b>           |             |            |
| <b>TOTAL RESOURCES AND FUND BALANCE</b> | <b>567,451</b>  | <b>668,471</b> | <b>898,034</b> | <b>812,190</b>          |             |            |
| <b>TOTAL FUND REQUIREMENTS</b>          | <b>234,187</b>  | <b>289,725</b> | <b>898,034</b> | <b>812,190</b>          |             |            |
| <b>TOTAL NET STORM FUND</b>             | <b>333,264</b>  | <b>378,747</b> | <b>-</b>       | <b>-</b>                |             |            |

## System Development Charges

System Development Charges (SDC's) are the fees collected from new development to account for their impacts on the existing systems and to pay their portion for required increases in system capacity; they are classified as Reimbursement SDC's and Improvement SDC's. Each city managed infrastructure system collects its own SDC's, those systems are Water, Sewer, Stormwater, Transportation (Streets), and Parks (for residential development only).

Improvement SDC's may only be used on projects that are in the adopted Capital Improvement Plan and have been determined to increase system capacity. Additionally, they may only contribute to that portion of the project that actually increases system capacity.

Reimbursement SDC's may be used on any capital project within the system for which they were collected.

### **SDC METHODOLOGY OVERVIEW**

Oregon Revised Statutes 223.297 through 223.314 provide the statutory basis for application of System Development Charges. These statutes are intended to provide a uniform framework for the development of equitable funding to support orderly growth.

The City's updated methodologies identify current "replacement value" for all existing improvements to establish the basis of the Reimbursement Fee. The basis for the Improvement Fee is the "estimated cost" of improvements not yet constructed, but needed, to serve future populations.



*An example of the SBR type Wastewater Treatment Plant that will be built in Molalla, in part with Sewer SDC's*

Existing improvements typically have surplus capacity for future users as well as deficiencies in serving the existing users. Similarly, projects on the Capital Improvement Plan list are required to provide capacity for future users. They also frequently resolve deficiencies in service to the existing users. To account for the available capacity in the City's infrastructure and the concurrent need to undertake capital improvements to resolve deficiencies, the Molalla SDC Methodologies include a combination of both Reimbursement Fees and Improvement Fees.

To assure an equitable allocation of costs between existing and future users, the value of all existing facilities and the estimated cost of all future improvements are allocated to all users, current and future equally, based on their proportionate use of the available capacity. This methodology avoids double charging for capacity and is also independent of current population. With this approach there is no need to identify the percentage of remaining capacity to serve future users, nor to estimate future population growth. This allocation is dependent only upon the ultimate capacity of the facility and the value or cost of the facility.

SDCs are typically collected with the issuance of building permits, or at the time of an increase in system impacts. As a result, the unit of measure for allocating SDC costs is defined in various unique

forms for each infrastructure system but is generally based on the impact of one single-family residential unit which is adopted to be one Equivalent Dwelling Unit (EDU).

### **SDC ADMINISTRATION REQUIREMENTS**

Per ORS 223.311, System Development Charge revenues must be deposited in dedicated accounts for each utility and an annual accounting prepared identifying amounts collected for each utility, amounts spent on each qualified project, and the annual cost of complying with these requirements.

The statute mandates that Reimbursement fees may be expended on any capital improvements or associated debt service within the subject infrastructure. Improvement Fees may only be spent on projects included in the Capital Improvement Plan for each infrastructure, including associated debt service. Accordingly, it is important to account for reimbursement and improvement fees separately.

### **Projects Using SDC's in FY22-23**

The City is required to create and post an annual SDC report on the City's website. To review that report please visit the Engineering page of the City Website [Go, HERE!](#)

### **Projects Projected to Use SDC's in FY23/24 – 24/25**

Several projects have been identified for FY 23-24 that will utilize system development charge fees for increasing system capacity. The following is a list of those projects:

#### **Sewer SDC**

- Sewer SDC's are being preserved to facilitate the New Wastewater Treatment Plant project.

#### **Water SDC**

- New Water Intake Design
- New 2.0mg Water Storage Tank property acquisition, due diligence, and design

#### **Street SDC**

- Sidewalk Infill Program – this project will create a fund to assist property owners in developing sidewalks where none has yet been placed.
- Metzler & OR-211 Sidewalk Infill
- Molalla Forest Road & Bike Ped Path development between OR-211 and Toliver
- Sidewalk infill along OR-211 from Hezzie Ln. to Ona Way

#### **Parks SDC**

- Parks Master Plan Update

#### **Stormwater SDC**

- Stormwater Master Plan Update

## SEWER SDC FUND

### RESOURCES

|                                       | Historical Data |                  |                  | Budget for FY 2024-2025 |                  |            |
|---------------------------------------|-----------------|------------------|------------------|-------------------------|------------------|------------|
|                                       | 2021-2022       | 2022-2023        | 2023-2024        | 2024-2025               | 2024-2025        | 2024-2025  |
|                                       | FISCAL          | FISCAL           | FISCAL           | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                       | Actual          | Actual           | Budget           | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE-REIMB          | 754,785         | 385,399          | 392,399          | <b>412,196</b>          |                  |            |
| BEGINNING FUND BALANCE-IMP            | (43,848)        | 476,047          | 726,047          | <b>1,087,730</b>        |                  |            |
| <b>REVENUE</b>                        |                 |                  |                  |                         |                  |            |
| INTEREST - SEWER IMP SDC              | -               | -                | 16,524           | <b>35,000</b>           |                  |            |
| INTEREST - SEWER REIMB SDC            | -               | -                | 8,512            | <b>15,000</b>           |                  |            |
| SEWER SDC'S                           | -               | -                | -                | -                       |                  |            |
| SEWER SDC - REIMBURSEMENT FEE         | 2,838           | 9,062            | 5,000            | <b>5,000</b>            |                  |            |
| SEWER SDC - IMPROVEMENT FEE           | 148,525         | 425,924          | 200,000          | <b>125,000</b>          |                  |            |
| PROFESSIONAL SERVICES                 | (854)           | -                | (50,000)         | -                       |                  |            |
| <b>TOTAL FUND REVENUES</b>            | <b>150,509</b>  | <b>434,986</b>   | <b>180,036</b>   | <b>180,000</b>          | \$ -             | \$ -       |
| <b>TOTAL BEGINNING FUND BALANCE</b>   | <b>710,937</b>  | <b>861,446</b>   | <b>1,118,446</b> | <b>1,499,926</b>        |                  |            |
| <b>TOTAL SEWER SDC FUND RESOURCES</b> | <b>861,446</b>  | <b>1,296,432</b> | <b>1,298,482</b> | <b>1,679,926</b>        |                  |            |
| <b>TRANSFERS OUT</b>                  |                 |                  |                  |                         |                  |            |
| TRANSFER TO SEWER CWSRF FUND          | -               | -                | -                | -                       |                  |            |
| TRANSFER TO SEWER DEBT FUND           | -               | -                | -                | -                       |                  |            |
| TRANSFER TO CAPITAL PROJECTS          | -               | -                | -                | -                       |                  |            |
| TRANSFER TO CAP-REIMBURSE             | -               | -                | -                | <b>210,000</b>          |                  |            |
| TRANSFER TO CAP-IMPROVE               | -               | -                | -                | -                       |                  |            |
| <b>TOTAL TRANSFERS OUT</b>            | <b>-</b>        | <b>-</b>         | <b>-</b>         | <b>210,000</b>          | \$ -             | \$ -       |
| <b>RESERVES</b>                       |                 |                  |                  |                         |                  |            |
| FB RESERVE-IMPROVEMENT                | -               | -                | 892,571          | <b>1,247,730</b>        |                  |            |
| FB RESERVE-REIMBURSEMENT              | -               | -                | 405,911          | <b>222,196</b>          |                  |            |
| <b>TOTAL RESERVE</b>                  | <b>-</b>        | <b>-</b>         | <b>1,298,482</b> | <b>1,469,926</b>        | \$ -             | \$ -       |
| <b>TOTAL FUND REQUIREMENTS</b>        | <b>-</b>        | <b>-</b>         | <b>1,298,482</b> | <b>1,679,926</b>        |                  |            |
| <b>TOTAL NET SEWER SDC FUND</b>       | <b>861,446</b>  | <b>1,296,432</b> | <b>-</b>         | <b>-</b>                |                  |            |

## WATER SDC FUND

### RESOURCES

|                                       | Historical Data  |                  |                  | Budget for FY 2024-2025       |                                 |                       |
|---------------------------------------|------------------|------------------|------------------|-------------------------------|---------------------------------|-----------------------|
|                                       | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025                     | 2024-2025                       | 2024-2025             |
|                                       | FISCAL<br>Actual | FISCAL<br>Actual | FISCAL<br>Budget | PROPOSED BY<br>Budget Officer | APPROVED BY<br>Budget Committee | ADOPTED BY<br>Council |
| BEGINNING FUND BALANCE-REIMB          | 1,852,277        | 87,882           | 102,822          | <b>108,263</b>                |                                 |                       |
| BEGINNING FUND BALANCE-IMP            | (1,237,342)      | 429,073          | 164,073          | <b>268,833</b>                |                                 |                       |
| <b>REVENUE</b>                        |                  |                  |                  |                               |                                 |                       |
| INTEREST - WATER IMP SDC              | -                | -                | 4,211            | <b>4,000</b>                  |                                 |                       |
| INTEREST - WATER REIMB SDC            | -                | -                | 2,268            | <b>2,000</b>                  |                                 |                       |
| WATER SDC - REIMBURSEMENT FEE         | 7,016            | 26,023           | 11,000           | <b>12,500</b>                 |                                 |                       |
| WATER SDC - IMPROVEMENT FEE           | 39,270           | 144,315          | 55,000           | <b>70,000</b>                 |                                 |                       |
| <b>TOTAL FUND REVENUES</b>            | <b>46,286</b>    | <b>170,338</b>   | <b>72,479</b>    | <b>88,500</b>                 |                                 |                       |
| <b>TOTAL BEGINNING FUND BALANCE</b>   | <b>614,935</b>   | <b>516,955</b>   | <b>266,895</b>   | <b>377,096</b>                |                                 |                       |
| <b>TOTAL WATER SDC FUND RESOURCES</b> | <b>661,221</b>   | <b>687,293</b>   | <b>339,374</b>   | <b>465,596</b>                |                                 |                       |
| <b>TRANSFERS OUT</b>                  |                  |                  |                  |                               |                                 |                       |
| TRANSFER TO CAP-REIMBURSE             | -                | -                | -                | <b>50,000</b>                 |                                 |                       |
| TRANSFER TO CAP-IMPROVE               | -                | 320,000          | 100,000          | <b>225,000</b>                |                                 |                       |
| <b>TOTAL TRANSFERS OUT</b>            | <b>-</b>         | <b>320,000</b>   | <b>100,000</b>   | <b>275,000</b>                |                                 |                       |
| <b>RESERVES</b>                       |                  |                  |                  |                               |                                 |                       |
| FB RESERVE-IMPROVEMENT                | -                | -                | 123,284          | <b>117,833</b>                |                                 |                       |
| FB RESERVE-REIMBURSEMENT              | -                | -                | 116,090          | <b>72,763</b>                 |                                 |                       |
| <b>TOTAL RESERVE</b>                  | <b>-</b>         | <b>-</b>         | <b>239,374</b>   | <b>190,596</b>                |                                 |                       |
| <b>TOTAL FUND REQUIREMENTS</b>        | <b>-</b>         | <b>320,000</b>   | <b>339,374</b>   | <b>465,596</b>                |                                 |                       |
| <b>TOTAL NET WATER SDC FUND</b>       | <b>661,221</b>   | <b>367,293</b>   | <b>-</b>         | <b>-</b>                      |                                 |                       |

**STREET SDC FUND**

**RESOURCES**

|  | Historical Data     |                     |                     | Budget for FY 2024-2025 |                  |            |
|--|---------------------|---------------------|---------------------|-------------------------|------------------|------------|
|  | 2021-2022           | 2022-2023           | 2023-2024           | 2024-2025               | 2024-2025        | 2024-2025  |
|  | FISCAL              | FISCAL              | FISCAL              | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|  | Actual              | Actual              | Budget              | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE-REIMB           | 606,476             | 901,976             | 712,308             | <b>481,059</b>          |                  |            |
| BEGINNING FUND BALANCE-IMP             | 1,000,580           | 668,225             | 1,368,879           | <b>1,189,321</b>        |                  |            |
| <b>REVENUE</b>                         |                     |                     |                     |                         |                  |            |
| INTEREST - STREET REIMB SDC            | -                   | -                   | -                   | -                       |                  |            |
| INTEREST - STREET IMP SDC              | -                   | -                   | 24,333              | <b>29,000</b>           |                  |            |
| INTEREST - REIMBURSEMENT               | -                   | -                   | 22,461              | <b>25,000</b>           |                  |            |
| TRANSPORTATION SDC                     | -                   | -                   | -                   | -                       |                  |            |
| TRANSPORTATION - REIMBURSEMENT         | 5,797               | 191,200             | 25,000              | <b>15,000</b>           |                  |            |
| TRANSPORTATION - IMPROVEMENT           | 42,282              | 529,936             | 125,000             | <b>75,000</b>           |                  |            |
| <b>TOTAL FUND REVENUES</b>             | <b>48,079</b>       | <b>721,136</b>      | <b>196,794</b>      | <b>144,000</b>          |                  |            |
| <b>TOTAL BEGINNING FUND BALANCE</b>    | <b>1,607,056</b>    | <b>1,570,202</b>    | <b>2,081,187</b>    | <b>1,670,380</b>        |                  |            |
| <b>TOTAL STREET SDC FUND RESOURCES</b> | <b>1,655,135</b>    | <b>2,291,338</b>    | <b>2,277,981</b>    | <b>1,814,380</b>        |                  |            |
| <b>TRANSFERS OUT</b>                   |                     |                     |                     |                         |                  |            |
| TRANSFER TO CAPITAL PROJECTS           | \$ 84,933           | \$ -                | \$ -                | \$ -                    |                  |            |
| TRANSFER TO CAP-REIMBURSE              | \$ -                | \$ -                | \$ 500,000          | \$ <b>150,000</b>       |                  |            |
| TRANSFER TO CAP-IMPROVE                | \$ -                | \$ 117,000          | \$ 350,000          | \$ <b>300,000</b>       |                  |            |
| <b>TOTAL TRANSFERS OUT</b>             | <b>\$ 84,933</b>    | <b>\$ 117,000</b>   | <b>\$ 850,000</b>   | <b>\$ 450,000</b>       |                  |            |
| <b>RESERVES</b>                        |                     |                     |                     |                         |                  |            |
| FB RESERVE-IMPROVEMENT                 | \$ -                | \$ -                | \$ 1,168,212        | \$ <b>993,321</b>       |                  |            |
| FB RESERVE-REIMBURSEMENT               | \$ -                | \$ -                | \$ 259,769          | \$ <b>371,059</b>       |                  |            |
| <b>TOTAL RESERVE</b>                   | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 1,427,981</b> | <b>\$ 1,364,380</b>     |                  |            |
| <b>TOTAL FUND REQUIREMENTS</b>         | <b>\$ 84,933</b>    | <b>\$ 117,000</b>   | <b>\$ 2,277,981</b> | <b>\$ 1,814,380</b>     |                  |            |
| <b>TOTAL NET STREET SDC FUND</b>       | <b>\$ 1,570,202</b> | <b>\$ 2,174,338</b> | <b>\$ -</b>         | <b>\$ -</b>             |                  |            |



**PARK SDC FUND**

**RESOURCES**

|                                      | Historical Data  |                  |                  | Budget for FY 2024-2025 |                  |            |
|--------------------------------------|------------------|------------------|------------------|-------------------------|------------------|------------|
|                                      | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025               | 2024-2025        | 2024-2025  |
|                                      | FISCAL           | FISCAL           | FISCAL           | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                      | Actual           | Actual           | Budget           | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE-REIMB         | 1,476,441        | -                | -                | -                       |                  |            |
| BEGINNING FUND BALANCE-IMP           | 557,903          | 1,582,078        | 1,449,581        | <b>1,900,857</b>        |                  |            |
| <b>REVENUE</b>                       |                  |                  |                  |                         |                  |            |
| INTEREST                             | -                | -                | 32,593           | <b>70,000</b>           |                  |            |
| PARK SDC - IMPROVEMENT FEE           | 33,686           | 546,762          | 75,000           | <b>75,000</b>           |                  |            |
| <b>TOTAL FUND REVENUES</b>           | <b>33,686</b>    | <b>546,762</b>   | <b>107,593</b>   | <b>145,000</b>          |                  |            |
| <b>TOTAL BEGINNING FUND BALANCE</b>  | <b>2,034,344</b> | <b>1,582,078</b> | <b>1,449,581</b> | <b>1,900,857</b>        |                  |            |
| <b>TOTAL PARK SDC FUND RESOURCES</b> | <b>2,068,030</b> | <b>2,128,840</b> | <b>1,557,174</b> | <b>2,045,857</b>        |                  |            |
| <b>TRANSFERS OUT</b>                 |                  |                  |                  |                         |                  |            |
| TRANSFER TO CAP-IMPROVE              | -                | -                | 75,000           | <b>700,000</b>          |                  |            |
| <b>TOTAL TRANSFERS OUT</b>           | <b>-</b>         | <b>-</b>         | <b>75,000</b>    | <b>700,000</b>          |                  |            |
| <b>RESERVES</b>                      |                  |                  |                  |                         |                  |            |
| FB RESERVE-IMPROVEMENT               | -                | -                | 1,482,174        | <b>1,345,857</b>        |                  |            |
| FB RESERVE-REIMBURSEMENT             | -                | -                | -                | -                       |                  |            |
| <b>TOTAL RESERVE</b>                 | <b>-</b>         | <b>-</b>         | <b>1,482,174</b> | <b>1,345,857</b>        |                  |            |
| <b>TOTAL FUND REQUIREMENTS</b>       | <b>-</b>         | <b>-</b>         | <b>1,557,174</b> | <b>2,045,857</b>        |                  |            |
| <b>TOTAL NET PARK SDC FUND</b>       | <b>2,068,030</b> | <b>2,128,840</b> | <b>-</b>         | <b>-</b>                |                  |            |

## STORM SDC FUND

### RESOURCES

|                                       | Historical Data |                |                | Budget for FY 2024-2025 |                  |            |
|---------------------------------------|-----------------|----------------|----------------|-------------------------|------------------|------------|
|                                       | 2021-2022       | 2022-2023      | 2023-2024      | 2024-2025               | 2024-2025        | 2024-2025  |
|                                       | FISCAL          | FISCAL         | FISCAL         | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                       | Actual          | Actual         | Budget         | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE-REIMB          | 221,116         | 246            | 3,446          | (5,668)                 |                  |            |
| BEGINNING FUND BALANCE-IMP            | -               | 230,520        | 150,520        | 208,618                 |                  |            |
| <b>REVENUE</b>                        |                 |                |                |                         |                  |            |
| INTEREST - STORM IMP SDC              | -               | -              | 3,319          | 7,000                   |                  |            |
| INTEREST - STORM REIMBURSEMENT        | -               | -              | 34             | 60                      |                  |            |
| STORM SDC - REMIBURSEMENT FEE         | 246             | 6,061          | 3,500          | 500                     |                  |            |
| STORM SDC - IMPROVEMENT FEE           | 9,404           | 136,585        | 75,000         | 10,000                  |                  |            |
| <b>TOTAL FUND REVENUES</b>            | <b>9,650</b>    | <b>142,646</b> | <b>81,853</b>  | <b>17,560</b>           |                  |            |
| <b>TOTAL BEGINNING FUND BALANCE</b>   | <b>221,116</b>  | <b>230,766</b> | <b>153,966</b> | <b>202,950</b>          |                  |            |
| <b>TOTAL STORM SDC FUND RESOURCES</b> | <b>230,766</b>  | <b>373,412</b> | <b>235,819</b> | <b>220,510</b>          |                  |            |
| <b>TRANSFERS OUT</b>                  |                 |                |                |                         |                  |            |
| TRANSFER TO CAP-IMPROVE               | -               | -              | 60,763         | -                       |                  |            |
| <b>TOTAL TRANSFERS OUT</b>            | <b>-</b>        | <b>-</b>       | <b>60,763</b>  | <b>-</b>                |                  |            |
| <b>RESERVES</b>                       |                 |                |                |                         |                  |            |
| FB RESERVE-IMPROVEMENT                | -               | -              | 168,076        | 220,510                 |                  |            |
| FB RESERVE-REIMBURSEMENT              | -               | -              | 6,980          | -                       |                  |            |
| <b>TOTAL RESERVE</b>                  | <b>-</b>        | <b>-</b>       | <b>175,056</b> | <b>220,510</b>          |                  |            |
| <b>TOTAL FUND REQUIREMENTS</b>        | <b>-</b>        | <b>-</b>       | <b>235,819</b> | <b>220,510</b>          |                  |            |
| <b>TOTAL NET STORM SDC FUND</b>       | <b>230,766</b>  | <b>373,412</b> | <b>-</b>       | <b>-</b>                |                  |            |

## Sewer Debt Retirement Fund

The Sewer Debt Retirement Fund is the fund from which debt principal and interest is paid. Sewer debt is paid by transfers from the Sewer Fund. Beginning with 2023/24 budget, this fund was redesigned to include all sewer-related debt.

Currently, the sole debt being processed through this fund is the sewer portion of the Full Faith & Credit Financing Series 2020 bond. That bond paid off the 2005 CWSRF Bond. Although debt has been accrued for the current CWSRF agreement, no payments are due in 2024/25.

### Outstanding Debt and Debt Service Payments Fiscal Years June 30, 2024 – 2029

#### *City of Molalla*

|   | Balance<br>6/30/24 | 24/25   | 25/26   | 26/27   | 27/28   | 28/29   |
|---|--------------------|---------|---------|---------|---------|---------|
| <b>Full Faith &amp; Credit Financing Series 2020</b><br><i>(Sewer Only – see MURA for that portion)</i>                                     | 797,900            | 377,889 | 148,335 | 148,321 | 148,175 | 0       |
| <b>Clean Water State Revolving Fund Loan R66101</b><br><i>(Future Debt Payments are based on a total debt of \$11.75M not yet incurred)</i> | 2,251,566          | 0       | 0       | 265,171 | 488,840 | 487,157 |
| <b>Total</b>  | 3,049,466          | 377,889 | 148,335 | 413,492 | 637,015 | 487,157 |

### Explanation of Significant Budget Variances

The Clean Water State Revolving Fund Loan drawn thus far is for the design phase of required Wastewater Treatment Plant improvements. Additional funding through this program has been secured through an amendment to the existing agreement to allow for initiation of construction. The process of securing additional funding through a USDA loan is underway and may require budget adjustments during the year.

There are no reserve funds required by the 2020 agreement. The current CWSRF loan reserve requirement of \$217,109 is budgeted. Also budgeted is a carryover of \$150,000 budgeted in 23/24 to further bolster debt reserves.

### Notes

- ✓ Total sewer debt per capita as of June 30, 2023 was \$278.
- ✓ Total City bonded debt as of June 30, 2023 utilized less than 10% of the statutory debt limit.

**SEWER DEBT RETIREMENT**

|  | Historical Data |           |           | Budget for FY 2024-2025 |                  |            |
|--|-----------------|-----------|-----------|-------------------------|------------------|------------|
|  | 2021-2022       | 2022-2023 | 2023-2024 | 2024-2025               | 2024-2025        | 2024-2025  |
|  | FISCAL          | FISCAL    | FISCAL    | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|  | Actual          | Actual    | Budget    | Budget Officer          | Budget Committee | Council    |

|                        |        |        |        |         |  |  |
|------------------------|--------|--------|--------|---------|--|--|
| BEGINNING FUND BALANCE | 22,700 | 22,699 | 22,706 | 542,292 |  |  |
|------------------------|--------|--------|--------|---------|--|--|

**REVENUE**

|                                    |                |                |                |                |   |   |
|------------------------------------|----------------|----------------|----------------|----------------|---|---|
| INTEREST                           | -              | -              | 1,838          | 4,500          |   |   |
| TRANSFER FROM SEWER FUND           | 381,486        | 380,625        | 633,776        | 198,216        |   |   |
| <b>TOTAL FUND REVENUES</b>         | <b>381,486</b> | <b>380,625</b> | <b>635,614</b> | <b>202,716</b> | - | - |
| <b>TOTAL GO DEBT FUND RESOURCE</b> | <b>404,186</b> | <b>403,324</b> | <b>658,320</b> | <b>745,008</b> |   |   |

**REQUIREMENTS**

|                                 |                |                |                |                |   |   |
|---------------------------------|----------------|----------------|----------------|----------------|---|---|
| 2020 SEWER FF&C LOAN -INT       | 27,886         | 22,618         | 17,284         | 11,899         |   |   |
| 2020 SEWER FF&C LOAN - PRIN     | 353,600        | 358,000        | 362,100        | 366,000        |   |   |
| 2020 CWSRF/DEQ - INTEREST       | -              | -              | 63,098         | -              |   |   |
| DEBT RESERVE                    | -              | -              | 215,838        | 367,109        |   |   |
| <b>TOTAL REQUIREMENTS</b>       | <b>381,487</b> | <b>380,618</b> | <b>658,320</b> | <b>745,008</b> | - | - |
| <b>TOTAL FUND REQUIREMENTS</b>  | <b>381,487</b> | <b>380,618</b> | <b>658,320</b> | <b>745,008</b> |   |   |
| <b>TOTAL NET STORM SDC FUND</b> | <b>22,699</b>  | <b>22,706</b>  | <b>-</b>       | <b>-</b>       |   |   |

## GO Debt Fund

The GO Debt Fund is the fund from which debt principal and interest will be paid for the General Obligation Bonds issued with voter approval for construction of the new Police Station.

This first year, interest only is payable. The entire payment schedule is shown on the following page.

### BOND DEBT SERVICE

#### City of Molalla, Oregon - Current GO Bonds (Police Station) Series 2024

| Period Ending | Principal     | Coupon | Interest   | Compounded Interest | Debt Service  | Annual Debt Service |
|---------------|---------------|--------|------------|---------------------|---------------|---------------------|
| 12/01/2024    |               |        | 439,670    |                     | 439,670.00    |                     |
| 06/01/2025    |               |        | 299,775    |                     | 299,775.00    | 739,445.00          |
| 12/01/2025    |               |        | 299,775    |                     | 299,775.00    |                     |
| 06/01/2026    | 170,000.00    | 4.000% | 299,775    |                     | 469,775.00    | 769,550.00          |
| 12/01/2026    |               |        | 296,375    |                     | 296,375.00    |                     |
| 06/01/2027    | 220,000.00    | 4.000% | 296,375    |                     | 516,375.00    | 812,750.00          |
| 12/01/2027    |               |        | 291,975    |                     | 291,975.00    |                     |
| 06/01/2028    | 260,000.00    | 4.000% | 291,975    |                     | 551,975.00    | 843,950.00          |
| 12/01/2028    |               |        | 286,775    |                     | 286,775.00    |                     |
| 06/01/2029    | 295,000.00    | 4.000% | 286,775    |                     | 581,775.00    | 868,550.00          |
| 12/01/2029    |               |        | 280,875    |                     | 280,875.00    |                     |
| 06/01/2030    | 340,000.00    | 4.000% | 280,875    |                     | 620,875.00    | 901,750.00          |
| 12/01/2030    |               |        | 274,075    |                     | 274,075.00    |                     |
| 06/01/2031    | 380,000.00    | 4.000% | 274,075    |                     | 654,075.00    | 928,150.00          |
| 12/01/2031    |               |        | 266,475    |                     | 266,475.00    |                     |
| 06/01/2032    | 425,000.00    | 4.000% | 266,475    |                     | 691,475.00    | 957,950.00          |
| 12/01/2032    |               |        | 257,975    |                     | 257,975.00    |                     |
| 06/01/2033    | 475,000.00    | 4.000% | 257,975    |                     | 732,975.00    | 990,950.00          |
| 12/01/2033    |               |        | 248,475    |                     | 248,475.00    |                     |
| 06/01/2034    | 525,000.00    | 5.000% | 248,475    |                     | 773,475.00    | 1,021,950.00        |
| 12/01/2034    |               |        | 235,350    |                     | 235,350.00    |                     |
| 06/01/2035    | 585,000.00    | 5.000% | 235,350    |                     | 820,350.00    | 1,055,700.00        |
| 12/01/2035    |               |        | 220,725    |                     | 220,725.00    |                     |
| 06/01/2036    | 650,000.00    | 5.000% | 220,725    |                     | 870,725.00    | 1,091,450.00        |
| 12/01/2036    |               |        | 204,475    |                     | 204,475.00    |                     |
| 06/01/2037    | 715,000.00    | 5.000% | 204,475    |                     | 919,475.00    | 1,123,950.00        |
| 12/01/2037    |               |        | 186,600    |                     | 186,600.00    |                     |
| 06/01/2038    | 790,000.00    | 5.000% | 186,600    |                     | 976,600.00    | 1,163,200.00        |
| 12/01/2038    |               |        | 166,850    |                     | 166,850.00    |                     |
| 06/01/2039    | 865,000.00    | 5.000% | 166,850    |                     | 1,031,850.00  | 1,198,700.00        |
| 12/01/2039    |               |        | 145,225    |                     | 145,225.00    |                     |
| 06/01/2040    | 610,582.20    | ** %   | 145,225    | 335,835.50          | 1,091,642.70  | 1,236,867.70        |
| 12/01/2040    |               |        | 137,600    |                     | 137,600.00    |                     |
| 06/01/2041    | 456,389.00    | 4.620% | 137,600    | 546,342.00          | 1,140,331.00  | 1,277,931.00        |
| 12/01/2041    |               |        | 137,600    |                     | 137,600.00    |                     |
| 06/01/2042    | 454,404.70    | 4.620% | 137,600    | 590,625.35          | 1,182,630.05  | 1,320,230.05        |
| 12/01/2042    |               |        | 137,600    |                     | 137,600.00    |                     |
| 06/01/2043    | 452,420.40    | 4.620% | 137,600    | 636,678.60          | 1,226,699.00  | 1,364,299.00        |
| 12/01/2043    |               |        | 137,600    |                     | 137,600.00    |                     |
| 06/01/2044    | 448,451.80    | 4.620% | 137,600    | 681,548.20          | 1,267,600.00  | 1,405,200.00        |
| 12/01/2044    |               |        | 137,600    |                     | 137,600.00    |                     |
| 06/01/2045    | 1,180,000.00  | 4.000% | 137,600    |                     | 1,317,600.00  | 1,455,200.00        |
| 12/01/2045    |               |        | 114,000    |                     | 114,000.00    |                     |
| 06/01/2046    | 1,270,000.00  | 4.000% | 114,000    |                     | 1,384,000.00  | 1,498,000.00        |
| 12/01/2046    |               |        | 88,600     |                     | 88,600.00     |                     |
| 06/01/2047    | 1,370,000.00  | 4.000% | 88,600     |                     | 1,458,600.00  | 1,547,200.00        |
| 12/01/2047    |               |        | 61,200     |                     | 61,200.00     |                     |
| 06/01/2048    | 1,475,000.00  | 4.000% | 61,200     |                     | 1,536,200.00  | 1,597,400.00        |
| 12/01/2048    |               |        | 31,700     |                     | 31,700.00     |                     |
| 06/01/2049    | 1,585,000.00  | 4.000% | 31,700     |                     | 1,616,700.00  | 1,648,400.00        |
|               | 15,997,248.10 |        | 10,030,445 | 2,791,029.65        | 28,818,722.75 | 28,818,722.75       |

**GO DEBT FUND**

|                                     | Historical Data |           |           | Budget for FY 2024-2025 |                  |            |
|-------------------------------------|-----------------|-----------|-----------|-------------------------|------------------|------------|
|                                     | 2021-2022       | 2022-2023 | 2023-2024 | 2024-2025               | 2024-2025        | 2024-2025  |
|                                     | FISCAL          | FISCAL    | FISCAL    | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                     | Actual          | Actual    | Budget    | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE              | -               | -         | -         | -                       |                  |            |
| <b>REVENUE</b>                      |                 |           |           |                         |                  |            |
| INTEREST                            | -               | -         | -         | -                       |                  |            |
| CURRENT PROPERTY TAXES              | -               | -         | -         | 739,445                 |                  |            |
| PRIOR PROPERTY TAXES                | -               | -         | -         | -                       |                  |            |
| <b>TOTAL FUND REVENUES</b>          | -               | -         | -         | 739,445                 | -                | -          |
| <b>TOTAL GO DEBT FUND RESOURCES</b> | -               | -         | -         | 739,445                 |                  |            |
| <b>REQUIREMENTS</b>                 |                 |           |           |                         |                  |            |
| 2024 BOND PRINCIPAL                 | -               | -         | -         | -                       |                  |            |
| 2024 BOND INTEREST                  | -               | -         | -         | 739,445                 |                  |            |
| 2024 BOND RESERVE                   | -               | -         | -         | -                       |                  |            |
| <b>TOTAL REQUIREMENTS</b>           | -               | -         | -         | 739,445                 | -                | -          |
| <b>TOTAL FUND REQUIREMENTS</b>      | -               | -         | -         | 739,445                 |                  |            |
| <b>TOTAL NET STORM SDC FUND</b>     | -               | -         | -         | -                       |                  |            |

**Section 5 – URA**  
**Urban Renewal Agency**





City of Molalla – Urban Renewal Agency  
Director’s Office  
117 N Molalla Avenue | PO Box 248 | Molalla, Oregon 97038  
Phone: (503) 829-6855 Fax: (503) 829-3676

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May 7, 2024

Members of the Urban Renewal Agency  
Chair, Scott Keyser, and Agency Members  
Molalla Citizens

**RE: Molalla Urban Renewal Agency – 2024-2025 Budget Transmittal Memo**

I am pleased to submit the proposed Budget for the City of Molalla Urban Renewal Agency for the Fiscal Year 2024-2025. This proposed Budget includes action items and projects identified within the Urban Renewal Plan. Each of these projects is identified to promote community Economic Development and revitalization through transportation, infrastructure, and streetscape improvements.

Urban Renewal is a tool used to help improve and spur Economic Development within a specific district by using Tax Increment Financing (TIF) to implement capital improvements and other projects within the District. The basic purpose of Urban Renewal is to increase the total assessed value of the District, and during the District timeline, use the funds derived from that increase in assessed value to fund various projects in the Urban Renewal Plan. Once the District expires, the full assessed value of the District comes back on the tax rolls and the increased revenue goes into the City’s General Fund.

We have identified three projects for 2024 – 2025 MURA Budget as identified below. Each of these projects are identified within the Urban Renewal Plan. The Molalla Forest Road project has been pushed out and will not be included in this year’s budget. However, two continuing projects we are proposing are Opportunity Partnerships or public/private partnerships within the district and the ongoing work toward the new Police Facility.

2024 – 2025 MURA Projects as presented:

1. Opportunity Partnerships - \$500,000 (two projects on Main Street)
2. Police Facility Progression - \$2,500,000

TIF revenue for the 2023-2024 tax year continues to increase at a greater rate than anticipated. As of April 30, 2024, we have received \$920,392, and we expect to reach and exceed that expectation next year.



Based on anticipated development and redevelopment within the District, we will continue to see revenue increase. We have budgeted \$549,162 in debt service for the 2024-2025 fiscal year.

The significance of Molalla's continued increases in our level of revenue is that we are generating funds to pay back debt. This tax financing option is used to create debt to initiate development and projects that would not be financially feasible without the infrastructure improvements made possible by Urban Renewal.

The proposed FY 2024-2025 Budget for the MURA is balanced as required by Oregon State Budget Law.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Huff', written in a cursive style.

Dan Huff  
Agency Director

| <b>URBAN RENEWAL<br/>RESOURCES</b> | <b>Historical Data</b> |                  | <b>Budget for FY 2024-2025</b> |                    |                    |                   |
|------------------------------------|------------------------|------------------|--------------------------------|--------------------|--------------------|-------------------|
|                                    | <b>2021-2022</b>       | <b>2022-2023</b> | <b>2023-2024</b>               | <b>2024-2025</b>   | <b>2024-2025</b>   | <b>2024-2025</b>  |
|                                    | <b>FISCAL</b>          | <b>FISCAL</b>    | <b>FISCAL</b>                  | <b>PROPOSED BY</b> | <b>APPROVED BY</b> | <b>ADOPTED BY</b> |
|                                    | <b>Actual</b>          | <b>Actual</b>    | <b>Budget</b>                  | <b>Budget</b>      | <b>Budget</b>      | <b>Council</b>    |
|                                    |                        |                  |                                | <b>Officer</b>     | <b>Committee</b>   |                   |
| BEGINNING FUND BALANCE             | 3,833,855              | 2,933,070        | 2,501,265                      | <b>3,278,330</b>   |                    |                   |
| <b>REVENUE</b>                     |                        |                  |                                |                    |                    |                   |
| PROPERTY TAX-CURRENT               | 716,595                | 876,056          | 910,000                        | <b>934,000</b>     |                    |                   |
| PROPERTY TAX-PRIOR                 | 10,943                 | 12,098           | 12,500                         | <b>22,000</b>      |                    |                   |
| INTEREST                           | 285                    | 830              | 77,025                         | <b>128,000</b>     |                    |                   |
| DEVELOPMENT LOAN REPAYMENT         | -                      | -                | -                              | <b>1,545</b>       |                    |                   |
| <b>TOTAL FUND REVENUES</b>         | <b>727,823</b>         | <b>888,983</b>   | <b>999,525</b>                 | <b>1,085,545</b>   |                    |                   |
| TOTAL BEGINNING FUND BALANCE       | <b>3,833,855</b>       | <b>2,933,070</b> | <b>2,501,265</b>               | <b>3,278,330</b>   |                    |                   |
| <b>TOTAL URA FUND RESOURCES</b>    | <b>4,561,678</b>       | <b>3,822,053</b> | <b>3,500,790</b>               | <b>4,363,875</b>   |                    |                   |

| <b>URBAN RENEWAL<br/>REQUIREMENTS</b> | 2021-2022        | 2022-2023      | 2023-2024        | 2024-2025         | 2024-2025           | 2024-2025  |
|---------------------------------------|------------------|----------------|------------------|-------------------|---------------------|------------|
|                                       | FISCAL           | FISCAL         | FISCAL           | PROPOSED BY       | APPROVED BY         | ADOPTED BY |
|                                       | Actual           | Actual         | Budget           | Budget<br>Officer | Budget<br>Committee | Council    |
| <b>MATERIAL &amp; SERVICES</b>        |                  |                |                  |                   |                     |            |
| OPERATION & MAINTENANCE               | 12,065           | 54,540         | 40,200           | <b>40,200</b>     |                     |            |
| PROFESSIONAL SERVICES                 | 3,278            | 1,647          | -                | <b>2,000</b>      |                     |            |
| COST ALLOCATION AGREEMENT             | 9,543            | 10,816         | 5,408            | <b>8,078</b>      |                     |            |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>24,885</b>    | <b>67,002</b>  | <b>45,608</b>    | <b>50,278</b>     |                     |            |
| <b>DEBT SERVICE</b>                   |                  |                |                  |                   |                     |            |
| 2015 URA BOND- PRINCIPAL              | 180,000          | 200,000        | 200,000          | <b>225,000</b>    |                     |            |
| 2015 URA BOND- INTEREST               | 75,800           | 68,600         | 60,600           | <b>52,600</b>     |                     |            |
| 2020 URA FF&C- PRINCIPAL              | 237,800          | 241,300        | 244,900          | <b>248,500</b>    |                     |            |
| 2020 URA FF&C- INTEREST               | 33,850           | 30,307         | 26,711           | <b>23,062</b>     |                     |            |
| <b>TOTAL DEBT SERVICE</b>             | <b>527,450</b>   | <b>540,206</b> | <b>532,211</b>   | <b>549,162</b>    |                     |            |
| <b>CAPITAL OUTLAY</b>                 |                  |                |                  |                   |                     |            |
| CAPITAL IMPROVEMENTS                  | 1,076,273        | 53,159         | 40,000           | -                 |                     |            |
| MOLALLA FOREST ROAD                   | -                | -              | 500,000          |                   |                     |            |
| OPPORTUNITY PARTNERSHIPS              | -                | 11,934         | 200,000          | <b>500,000</b>    |                     |            |
| POLICE FACILITY                       | -                | -              | 1,623,670        | <b>2,500,000</b>  |                     |            |
| <b>TOTAL CAPITAL OUTLAY</b>           | <b>1,076,273</b> | <b>65,093</b>  | <b>2,363,670</b> | <b>3,000,000</b>  |                     |            |
| <b>CONTINGENCY</b>                    |                  |                |                  |                   |                     |            |
| CONTINGENCY                           | -                | -              | 9,300            | <b>464,435</b>    |                     |            |
| <b>TOTAL CONTINGENCY</b>              | <b>-</b>         | <b>-</b>       | <b>9,300</b>     | <b>464,435</b>    |                     |            |
| <b>RESERVE</b>                        |                  |                |                  |                   |                     |            |
| RESERVE                               | -                | -              | -                |                   |                     |            |
| URA BOND - RESERVE                    | -                | -              | 550,000          | <b>300,000</b>    |                     |            |
| <b>TOTAL RESERVES</b>                 | <b>-</b>         | <b>-</b>       | <b>550,000</b>   | <b>300,000</b>    |                     |            |
| <b>TOTAL URA FUND REQUIREMENTS</b>    | <b>1,628,608</b> | <b>672,301</b> | <b>3,500,789</b> | <b>4,363,875</b>  |                     |            |

## Section 6 – Appendix & Legal

- ✓ **Full Policy by Resolution**
- ✓ **Action Plans**
- ✓ **Economic Road Maps**
- ✓ **Local Budget Law Statutory References**
- ✓ **Acronyms**
- ✓ **Glossary**
- ✓ **Closed Funds**





**RESOLUTION NUMBER 2019-17**

**A RESOLUTION ADOPTING THE CITY OF MOLALLA FINANCIAL POLICIES.**

**WHEREAS**, the City of Molalla has a responsibility to ensure it handles public funds appropriately; and

**WHEREAS**, written, adopted financial policies and have many benefits in assisting Council with the financial management of the City; and

**WHEREAS**, the auditing firm for the City has recommended that Council adopt financial policies that promote sound financial management practices designed to meet Council's goals and objectives; and

**WHEREAS**, staff has prepared the City of Molalla Financial Policies document that outlines procedures, safeguards, and internal controls for public fund management; and

**WHEREAS**, the City of Molalla Financial Policies document, attached hereto as Exhibit A,

**NOW, THEREFORE BE IT RESOLVED**, That the City of Molalla Finance Policies document, attached hereto as Attachment A, is hereby adopted.

**PASSED AND ADOPTED** by the City of Molalla City Council and signed by me, and the City Recorder, in authentication of its passage.

Duly Appointed this 24<sup>th</sup> day of July, 2019

  
Keith Swigart, Mayor

ATTEST:

  
Christie DeSantis, Interim City Recorder



**RESOLUTION NO. 2022-01**

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON  
AMENDING THE FINANCIAL POLICY - DEBT POLICY SECTION**

**WHEREAS**, the City of Molalla has a responsibility to ensure it handles public funds appropriately; and

**WHEREAS**, written, adopted financial policies and have many benefits in assisting Council with the financial management of the City; and

**WHEREAS**, the auditing firm for the City has recommended that Council adopt financial policies that promote sound financial management practices designed to meet Council’s goals and objectives; and

**WHEREAS**, staff has prepared the City of Molalla Financial Policies document that outlines procedures, safeguards, and internal controls for public fund management; and

**WHEREAS**, the City of Molalla Financial Policies document, attached hereto as Exhibit A,

**Now, Therefore, the City of Molalla Resolves as follows:**

**Section 1.** That the City of Molalla Finance Policies amending the Debt Policy document, hereby referred to as Exhibit A.

**Section 2. Effective Date.** This Resolution is effective upon the signature of the Mayor.

Signed this 9<sup>th</sup> day of March.

  
\_\_\_\_\_  
Scott Keyser, Mayor

ATTEST:

  
\_\_\_\_\_  
Christie Teets, City Recorder

# City of Molalla



## Budget Policy

Adopted July 24, 2019  
Resolution 2019-17

**This document supersedes any and all previous budget policies.**



## I. Purpose

The purpose of this policy is to establish guidelines for The City of Molalla (City) to account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public through the budget cycle.

This policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters to use in directing the day-to-day financial affairs of the City.

## II. Scope

This policy governs the budgeting process, monitoring of budget execution, performance monitoring, and any revision of the budget.

## III. Objectives

The primary objectives of budget activities shall be:

- To ensure that the annual budgeting process is performed timely and supports the City's financial and operational planning objectives and processes.
- To ensure actual versus budget is reviewed and monitored for significant variances.
- To ensure that expenditures made are in line with program objectives.
- To ensure that budgets are reviewed periodically for relevance and revised as necessary.

To the extent possible, the City's budget process will:

- Incorporate a long-term perspective,
- Establish linkages to broad organizational goals,
- Focus budget decisions on results and outcomes,
- Involve and promote effective communication with stakeholders, and

## IV. Policy Statement

### A. Oregon Local Budget Law

The City is subject to the requirements of Oregon Local Budget Law under ORS Section 294.

### B. Long-term Focus

The City recognizes the importance of long-term strategic planning. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the City.

### C. Conservatism

Revenues will be projected conservatively, but realistically, considering:

1. past experience,





2. the volatility of the revenue source,
3. inflation and other economic conditions, and
4. the costs of providing the related service.

Expenditures will be projected conservatively considering:

1. a conservative but likely scenario of events (versus “worst case”),
2. specific, identified needs of the program or service,
3. historic consumption and trends, and
4. inflation and other economic trends.

**D. Matching Concept**

The City will make an effort to match one-time resources with one-time uses in the development of the budget. Similarly, recurring resources will be identified with recurring uses to the extent possible.

If it becomes necessary to use one-time resources to balance the City’s budget, a plan for achieving a structural balance will be developed simultaneously that identifies revenue enhancements or expenditure decreases to bring the budget back into balance

**E. Contingencies and Unappropriated Ending Fund Balance**

Contingencies will be budgeted in all operating funds to provide flexibility and to address unforeseen circumstances that may arise after the budget is adopted. There shall be no expenditures from contingencies. Transfers of appropriations to expenditure categories may be made with City Council approval.

The City will report an unappropriated ending fund balance in the debt service funds equal to the first scheduled debt service payment of the subsequent year. Unappropriated fund balances may not be appropriated or spent. Unappropriated balances will then be available and appropriated in the following year to ensure adequate resources to cover debt service.

**F. Budget Development**

1. The operating budget is the City’s financial operating plan. All funds will be subject to appropriation by the City Council.
2. The budget will be balanced for each fund. The proposed cash resources of each fund (beginning of year fund balance plus estimated receipts) will equal or exceed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:
  - a. Reduce expenditures through improved productivity.
  - b. Create new service fees or increase existing fees and charges.
  - c. Reduce or eliminate services.
3. Unencumbered appropriations lapse at the end of the fiscal year.



4. The City Manager shall serve as the City's Budget Officer, and as such will present the proposed budget to the Budget Committee for consideration and eventual approval. The Finance Director is the City Manager's alternate.
5. Public hearings will be held to obtain public input on the City's proposed and approved budget.
6. The City's budget shall be prepared on a budgetary basis. The budget will be sufficiently detailed to identify all significant sources and uses of funds. Adopted budget for current year data, second proceeding year actuals, and first proceeding year actual results will be presented for comparative purposes.
7. The budget will be adopted by the City Council no later than June 30.

G. Budget Modification

1. The adopted budget may be amended to transfer appropriations between funds or budget categories through resolution of the City Council.
2. A supplemental budget may be adopted by the City Council, following a public hearing, to increase the adopted appropriations of any fund.

# City of Molalla



## Debt Policy

**Revised 03-09-2022**

**Resolution 2022-01**

**This document supersedes any and all previous debt policies.**



**I. Purpose**

This Debt Policy for the City of Molalla (City) is established to help ensure that all debt is issued both prudently and cost effectively. This policy sets forth comprehensive guidelines for the financing of capital expenditures of the City. Adherence to the policy is essential to ensure that the City Council maintains a sound debt position and protects the credit quality of its obligations.

**II. Governing Authority**

The City’s debt policy shall be operated in conformance with Oregon Revised Statutes, applicable federal law and other regulatory requirements. The Finance Director will maintain the debt policy and develop recommendations for debt financing.

**III. Scope**

This policy applies to all financing activities of the City.

**IV. Objectives**

The objectives of the policy shall be that:

- i. the City obtain financing only when necessary,
- ii. the process for identifying the timing and amount of debt or other financing be as efficient as possible,
- iii. the most favorable interest rate and other related costs be obtained, and
- iv. when appropriate, future financial flexibility be maintained.

**V. Conditions of Debt**

1. Debt Limits

i. Legal Restrictions

- The City shall observe and comply with all legal restrictions including State constitution or law, local charter, by-laws, resolution or ordinance, or covenant, and bond referenda approved by voters.

ii. Public Policies

- The City shall observe and support appropriate public policy considerations including the purposes for which debt proceeds may be used or prohibited,
- The types of debt that may be issued or prohibited, the relationship to and integration with the Capital Improvement Program, and policy goals related to economic development, including potential public-private partnerships.

iii. Financial Restrictions

A. Direct Debt

The City shall develop and maintain financial information in the consideration and evaluation of its debt position including the ratio of debt



per capita, the ratio of debt to personal income, the ratio of debt to taxable property value, and debt service payments as a percentage of general fund revenues or expenditures.

**B. Revenue Debt**

The City may consider issuance of revenue bonds as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

**C. Conduit Debt**

The City shall not engage in the issuance of conduit debt.

**D. Short-term Debt**

The City may engage in short-term financing if cash or working capital needs so dictate. All short-term borrowings should reflect the same objectives as those identified for debt financing above.

**E. Variable Rate Debt**

The City may consider issuance of variable rate debt as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

**2. Debt Structuring Practices**

The City shall consult with financial advisors and bond counsel, and within the framework of applicable accounting and reporting requirements to identify and implement sound debt structuring practices for each type of bond to the best advantage of the City, including:

- Maximum term
- Average maturity
- Debt service pattern (i.e. equal payments or equal principal amortization)
- Use of optional redemption features that reflect market conditions and/or needs of the City,
- Use of variable or fixed-rate debt, credit enhancements, short-term debt, and limitations as to when, and to what extent, each can be used, and
- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

**3. Debt Issuance Practices**

The City shall employ sound practices for debt issuance in the context of best practices and strong internal controls, including:

- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,



- Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- Criteria for issuance of refunding bonds, ~~and~~
- [Require external input and review regarding the specific methodology of recording new or refunded debt at the time such activity occurs, and](#)
- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

#### 4. Debt Management Practices

The City shall manage outstanding debt to the direct advantage of the City, and ultimately to the benefit of citizens. In doing so, the City shall:

- Establish and maintain appropriate funds and accounting structures to properly support budgeting, recording, and reporting of debt service activities,
- Establish, document, and maintain a system of internal control over debt activities including proper approvals for debt issuance and debt service payments, and
- Provide for periodic review of the City's debt position for purposes of reporting to the City Council and evaluation of opportunities for refunding or other adjustments to the portfolio.

# City of Molalla



## Expenditure Policy

Adopted July 24, 2019  
Resolution 2019-17

**This document supersedes any and all previous expenditures policies.**



**I. Purpose**

The purpose of this policy is to establish guidelines for the City of Molalla to efficiently and effectively process expenditure transactions.

**II. Scope**

This policy is applicable to all expenditure transactions of the City.

**III. Objectives**

- A. To ensure a fundamental level of integrity, directness, and transparency in how the City spends public funds.
- B. To ensure City expenditures directly support services to customers and citizens.

**IV. Policy Statements**

- A. All payments due shall be paid as agreed . The City shall take advantage of vendor discounts to the extent practicable and available.
- B. All payments must be properly authorized and supported by appropriate documentation. Proper authorization may consist of an approved purchase order or direct approval on an original invoice or payment request. Approval is based on City Charter limits. Appropriate documentation consists of an original invoice or payment request and proof of receipt of goods and services. Payment shall not be made on copies of invoices.
- C. All checks require two (2) signatures, one of which is the Mayor or a City Councilor if available. Signers include the City Manager, Department Head, at least 2 Councilors and the Mayor. Payments other than by check require the same approval process.
- D. Expenditure-related duties shall be assigned to City staff in such a manner that there is appropriate separation of duties. Specifically, the initiation, authorization, and processing of expenditures shall be assigned to separate individuals.
- E. Access shall be restricted to City staff with direct responsibilities for expenditure-related functions, and only those functions as assigned.
  - 1. System access shall be assigned and maintained according to specific functional assignments and accessed by unique login and password, by employee.
  - 2. Access to blank check stock shall be restricted and under the control of the Finance Director. All check numbers in sequence shall be properly accounted for.
  - 3. Voided checks shall be appropriately cancelled (stamped or marked "void" and the signature lines removed) and retained until after completion of the annual audit.



# City of Molalla



## Fund Balance and Reserve Policy

Adopted July 24, 2019  
Resolution 2019-17

**This document supersedes any and all previous fund balance and reserve policies.**



## I. Purpose

The City wishes to maintain existing service levels and maintain a stable financial position during periods of economic uncertainty. To that end, the City will establish prudent reserves in certain funds in order to ensure financial stability throughout the fiscal year including provision for unforeseen contingencies and consideration to revenue timing. This policy establishes threshold minimums for the City's funds and is intended to serve as a guide for operational, budgetary, and policy decisions made by the City Council and management.

## II. Definition

Fund balance is defined as the difference between assets and liabilities in a fund. Reserves are broadly referred to as the portion of fund balance held in reserve to provide a buffer against risk, unforeseen circumstances, or for planned future expenditures.

For purposes of this policy, the terms "fund balance" and "reserves" may be used together and interchangeably to refer to amounts retained in the City's various funds for purposes of offsetting risk, providing flexibility and stability, or for specific future expenditures.

An adequate fund balance is critical to lessen the impact of revenue shortfalls and/or unanticipated expenditures over time and provide a lower level of financial risk. Fund balance also serves as a source of bridge funding from year to year, allowing the City to maintain or transition to sustainable service levels.

## III. Policy Statement

The City will establish and maintain a minimum fund balance in identified funds to:

1. Provide sufficient resources to meet cash flow needs;
2. Maintain an investment grade bond rating capacity;
3. Cover unforeseen emergencies;
4. Avoid short-term borrowing to fund operations; and
5. Set aside funds for major capital projects or equipment purchase when deemed appropriate.

Fund balance targets for respective funds are as follows:

### **General Fund**

A minimum fund balance equal to three (3) months of operations or 20% of budgeted expenditures in the Fund.

### **Library Fund**

A minimum fund balance equal to three (3) months of operations or 8% of budgeted expenditures in the Fund.

### **Street Fund**

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.



**Urban Renewal Agency Fund**

A minimum fund balance equal to two (2) months of operations or 5% of budgeted expenditures in the Fund.

Enterprise Funds:

**Water Fund**

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

**Sewer Fund**

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

**Storm Water Fund**

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.



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# City of Molalla



## Grants Management Policy

Adopted July 24, 2019  
Resolution 2019-17

**This document supersedes any and all previous grants management policies.**



**I. Purpose**

To assist City of Molalla (City) personnel involved in pursuing, acquiring, and administering federal grant funding by providing clear guidelines for alignment with the overall purpose of the City and with specific project goals. While specifically addressing requirements of federal funding, this policy shall also be applied to non-federal grants and programs as appropriate.

**II. Authority**

The City Council shall ensure federal funds received by the City are administered in accordance with federal requirements including, but not limited to, the federal Uniform Grant Guidance<sup>1</sup>.

The City Council designates the City Manager or the Finance Director as the City's primary contact for all federal programs and funding. Administration and management of individual funding programs shall be accomplished by the respective departments working in conjunction with the Finance Director or designee.

**III. Policy Statement**

The City encourages the consideration of grants as a funding source for established or planned projects as appropriate. Grant funding should only be pursued as it relates to current or planned projects, and not funding for projects yet to be identified.

The Finance Director shall establish and maintain a sound financial management system. The system shall ensure internal controls and federal grant management standards address the receipt of both direct and pass-through federal grants, track costs and expenditures of funds associated with grant awards, maintain a high level of transparency and accountability, and document all applicable procedures<sup>2</sup>.

**A. Guidelines**

Financial management standards and procedures shall ensure that the following responsibilities are fulfilled:

1. Identification  
The City must identify in its accounts, all federal awards received and expended and the federal programs under which they were received.
2. Financial Reporting  
Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles for government.
3. Accounting Records  
The City must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
4. Internal Controls

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<sup>1</sup> Ref. 2 CFR Part 200

<sup>2</sup> Ref. 2 CFR Part 200



Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The City must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.

5. Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs with respect to federal programs.

6. Cash Management

The City recognizes Uniform Grant guidance with respect to cash management requirements and incorporate by reference..

7. Allowability of Costs

The City shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

B. Training

The City shall provide annual training to those employees with direct responsibility over various aspects of federal award management and administration. Training will include, but not be limited to, identification and differentiation of federal grants from other funding sources, identification of direct and material compliance requirements of federal awards, establishing and documenting effective internal controls over compliance, and proper use of the City's centralized grants management system.

C. Standards of Conduct

The City shall maintain standards of conduct covering conflicts of interest and the actions of the City Council and City employees engaged in the selection, award, and administration of federal grants and of all contracts.

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Council policies, administrative regulations, rules, and procedures.

The City shall communicate to all employees the importance of ethical and legal actions in dealing with grant-related programs and funds. The City shall reinforce its zero-tolerance position as appropriate to ensure proper awareness and attention to policies and procedures guiding appropriate employee activities related to federal award programs.

D. Grant Project Management

The City shall establish clear roles and responsibilities for post-award, close-out, and audit activities related to federal grant awards. Key personnel in consideration of those roles and responsibilities include, but are not limited to departmental Project Manager, Finance Director, City Manager, and the City Council.

The City shall establish a grants project team for each federal award consisting at a minimum of the departmental Project Manager and the Finance Director or his/her designee. This team shall have primary responsibility for managing all aspects of the award



program including, but not limited to, implementation and documentation of effective internal controls, compliance with stated program requirements, effective accounting and reporting to support both financial and compliance needs of the City and the federal program, and monitoring activities.

Roles and responsibilities will be identified with appropriate parties so as to provide efficient and effective administration of federal grant monies, effective internal control over financial reporting and related compliance, and effective project management.

E. Annual Risk Assessment

The Finance Director shall have responsibility to perform an annual risk assessment with respect to potential noncompliance related to the City's federal award programs. Such risk assessment will be documented and serve as the basis for further efforts to provide reasonable assurance of compliance with all applicable compliance requirements.

The City's departmental Project Manager identified to each respective federal grant program shall have primary responsibility for compliance with applicable requirements of the federal award. The Project Manager shall also have primary responsibility for establishing and documenting internal controls over compliance with respect to each identified compliance requirement so as to provide reasonable assurance that compliance is achieved.

F. Expenditure Review and Approval

Consistent with a strong system of internal controls, all grant-related expenditures shall follow established City policies and procedures with respect to procurement, approvals, and documentation. All grant expenditures shall require review and approval by the applicable departmental Project Manager to ensure compliance with all applicable requirements. Such review and approval shall be evidenced by an appropriate method (initials and date on expenditure documentation (purchase order, invoice, pay request, etc.), email, electronic approval, etc.). All grant-related expenditures shall be coded with the appropriate general ledger and project account numbers to accommodate proper accounting and reporting of grant amounts in the City's financial records and reporting to federal granting agencies.

G. Employee Time and Effort Reporting

All City employees paid with federal funds shall, in accordance with law, document the time they expend in work performed in support of each federal program. Time and effort reporting requirements do not apply to contracted individuals.

City employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. Such reimbursements shall be made on the basis of documentation as required under City policy.

The City shall establish and maintain employee policies on hiring, benefits and leave, and outside activities as approved by the City Council.





H. Procurement

The City shall establish and maintain a written procurement policy. The City shall follow that policy for all grant-related procurements.

I. Record Keeping

The City shall develop, document, and maintain a written Records Management Plan and related policy and administrative rules for the retention, retrieval, and disposition of manual and electronic records including email<sup>3</sup>.

The City shall ensure the proper maintenance of federal fiscal records documenting<sup>4</sup>:

1. Amount of federal funds.
2. How federal funds are used.
3. Total cost of each federally-funded project.
4. Share of total cost of each project provided from other, non-federal sources.
5. Evidence of the design and maintenance of effective internal controls over compliance.
6. Evidence of compliance with federal program requirements.
7. Significant project experiences and results (programmatic).

All records must be retrievable and available for federal monitoring, programmatic or financial audit purposes.

The City shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, pass-through entities, or any of their authorized representatives, the right of access to any documents, papers, or other City records which are pertinent to federal funding awards. The City shall also permit timely and reasonable access to the City's personnel for the purpose of interview and discussion related to such documents<sup>5</sup>.

The Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.

The City shall ensure that all personally identifiable information (PII) protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, policy, and administrative regulations.

J. Subrecipient Monitoring

In the event the City awards subgrants of federal funds, the City shall establish written procedures<sup>6</sup> to:

1. Assess the risk of noncompliance on the part of the subrecipient.

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<sup>3</sup> Ref 2 CFR Part 200.333-337

<sup>4</sup> Ref. 34 CFR Sec. 75.730-732

<sup>5</sup> Ref. 2 CFR Sec. 200.336

<sup>6</sup> Ref. 2 CFR Sec. 200.330-331



2. Monitor grant subrecipients to ensure compliance with federal compliance requirements, state and local laws and policy and procedures.
3. Ensure the City 's record retention schedule addresses document retention on assessment and monitoring.

K. Compliance Violations

Employees and contractors involved in federally-funded programs and subrecipients shall be made aware of all identifying information and federal compliance requirements associated with the award. They shall also be made aware that failure to comply with federal requirements, law, regulation or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

# City of Molalla



## Revenue Policy

Adopted July 24, 2019  
Resolution 2019-17

**This document supersedes any and all previous revenue policies.**



**I. Purpose**

The purpose of this policy is to establish guidelines for City of Molalla to encourage diversification and stabilization of the revenue base in order to minimize the effects of fluctuations in revenue yield.

**II. Scope**

This policy is designed to provide general principles and guidelines to promote effective control over, and proper accounting of revenues from external sources and the related accounts receivable.

**III. Objectives**

- Revenue received by the City shall be utilized in accordance with this policy.
- Revenue received for specific funds within the City shall be utilized for expenses and obligations of that fund.
- All revenue is accurately recorded in the City 's accounting system in the period in which it is earned.
- Appropriate internal controls and sound financial business practices are adopted for the recognition and billing of revenue, the collection and timely recording and deposit of cash receipts, and the management of accounts receivable.

**IV. Policy Statements**

**A. High level Roles and Responsibilities**

The City will assign roles and responsibilities according to skills, knowledge, and expertise necessary to accomplish the respective tasks, and to maintain an appropriate separation of duties consistent with strong internal controls.

- The City Manager
  1. Provide guidance and advice on compliance to the political structures, political office-bearers and officials of the City.
- The Finance Director
  1. Administratively in charge of the budget;
  2. Advise the City Manager on the exercise of powers and duties assigned to the City Manager;
  3. Advise Senior Managers and other officials in the exercise of powers and duties assigned to them; and
  4. Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the City Manager to the Finance Director.
- Senior Management
  1. Managing and coordinating the financial administration of the City.
- Any Official or External Consultant duly appointed
  1. Performs any operation in respect to the revenue management given by the Finance Director or City Manager.

**B. Determination of Fees and Charges**

The City shall ensure that all fees and charges have a basis in the associated cost of



providing the related service. Full costing shall be determined for all services, including direct costs of materials, labor, and related services as well as any appropriate allocation of overhead or indirect costs. The City Council will decide full cost recovery or the percentage to be recovered.

C. Utility Billing

The City shall ensure the completeness and accuracy of billings to all utility customers as a basis for revenues collected.

- Water services

1. Application for water service shall be made in writing by the owner of the premises to be served, or the owner's agent duly authorized in writing on regular application forms furnished by the City. No service will be rendered until such application has been completed and the required payments made. All applications shall include signature of applicant, location of premises for which service is requested, address to which all bills shall be sent, and such additional data as the Council from time to time may require.
  - a. Applications for service shall be considered merely as a request for service, and they shall not bind the City or Council to provide service.
2. Meters shall be read on a regular cycle as a basis for accurate billing of usage to customers.
3. All charges for utility service shall be due and payable monthly on the date of mailing and become delinquent on the 16th of each month. A late fee set by resolution shall be assessed on any utility accounts, which become delinquent. After a customer's utility bill is delinquent, the Finance Director or designee shall mail to customer a notice stating:
  - a. That the utility bill is delinquent;
  - b. The amount necessary to cure the delinquency;
  - c. That the utility service to the property will be shut off 20 days after the date of the notice, unless the delinquency is paid in full.
  - d. After termination of utility service, the full account balance including the fees will be required before service can be restored. If notice is mailed as provided in this section, the City may shut off utility service to the property 20 days after mailing of the notice unless the total amount due is paid in full, but subject to the City's compliance with the options specified in subsection
4. Utility services disconnected for lack of payment of the utility bills will be assessed a disconnect/reconnect fee as set by resolution and shall not be restored until all past-due-bills, late fees, and any other utility charges or connection fees are paid in full.
  - a. The customer may request in writing a one-time emergency extension of payment (not to exceed 10 days) to avoid service



being shut off and a disconnect fee being charged. If customer defaults on this agreement the utility account will be shut off the morning after the agreement expires and a disconnect fee will then be charged.

- b. Any customer may request a waiver of their late fee in writing providing no other late fees have been assessed in the prior 12 months.
  - c. A customer may appeal a notice of utility shut-off by filing a written request for an informal hearing with the City within 15 days after the date of mailing of the notice. The appeal shall be filed with the City Manager and shall specify the reasons for the appeal. If an appeal is so filed, utility service shall not be disconnected before the business day after the announcement of the result of the hearing. The informal hearing shall be held as soon as is practically possible before the City Manager or designee. The City shall provide the customer reasonable notice of the date of the hearing. The customer may be represented by an attorney at the hearing, and any probative evidence shall be admissible. The hearing officer may affirm, overrule, or modify the notice of utility shut-off, considering applicable law and the nature of any hardship of the customer.
5. All payments shall be made to the City either by mail, online bill pay, at the office of the City, placed in drop box, or such other place as the Council may from time to time designate.
- Wastewater services
    1. Wastewater usage fees will be based on the winter average usage of water at the physical address listed for the account and will be reevaluated annually.
  - Surface water services
    - a. There is hereby established a surface water utility user charge, which shall be set by the City Council by resolution. The rate shall be in an amount reasonable and necessary to fund the administration, planning, design, construction, operation, maintenance and repair of the surface water management system. The surface water utility user charge shall be based upon the amount of developed impervious surface used by a customer. Owners or occupants of undeveloped property shall not be charged. Each customer using a location for one single-family residential use shall be charged a uniform rate based upon one equivalent development unit (EDU). For multifamily residential uses, the charge shall be one EDU per each residential unit. The charge for all other uses shall be based upon the total amount of measured impervious surface used, divided by one EDU and rounded to the nearest whole number. The actual service charge shall be computed by multiplying the amount of EDUs measured for each use by the rate established



for each EDU; provided, however, that the amount of EDUs measured shall be limited to 20 EDUs per use.

D. Detailed Role of Finance Director

- That the City had effective revenue collection systems
- That the revenue due to the City is calculated on a monthly basis;
- That all money received is promptly deposited in the City 's primary and other bank accounts;
- That the City has and maintains a management, accounting and information system which—
  1. recognize revenue when it is earned;
  2. accounts for debtors; and
  3. accounts for receipts of revenue;
- That the City has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- That the City charges interest on arrears, except where the Council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- That all revenue received by the City, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

E. Receipt of Revenue to the City

- Cash transactions are verified by two employees to ensure that cash is properly recorded and deposited.
- Receipts are given to all customers who pay with cash. Customers paying with check are offered a receipt and customers who pay with debit/credit are offered a confirmation number.

| ACTION ITEM  | GOAL<br>(ongoing/in progress) | EXPECTATION<br>(yearly function) | ACCOMPLISHED<br>(task completed) |
|--|-------------------------------|----------------------------------|----------------------------------|
| <b>2021 Action Items</b>   |                               |                                  |                                  |
| <i>(Administration/City Manager)</i>   |                               |                                  |                                  |
| DUII prosecution in Molalla Municipal Court (FA 1, 3)                                    | ✓                             | ✓                                |                                  |
| Revisit Wildfire Emergency Response program (FA 1)                                       | ✓                             |                                  |                                  |
| Promote Diversity, Equity, Inclusion Opportunities (FA 1, 2)                             | ✓                             | ✓                                | ✓                                |
| Community Partnership (FA 2)   | ✓                             |                                  |                                  |
| Marketing/Social Media Firm (PIO?) (FA 2)  | ✓                             |                                  |                                  |
| Update Emergency Operation Plan (FA 2)   | ✓                             |                                  |                                  |
| Reestablish Student Liaison with City Council (FA 3)                                     | ✓                             |                                  |                                  |
| Inventory and Promote available resources, services, and opportunities in Molalla (FA 4) |                               |                                  |                                  |
| Community Outreach via Molalla Current (FA 4, 5)   | ✓                             | ✓                                | ✓                                |
| Investigate Community Development bonding (FA 5)   | ✓                             |                                  |                                  |
| Work with Molalla Hope to provide space for Warming/Cooling Shelter (FA 4)               | ✓                             |                                  | ✓                                |
| Create and Implement a Parks CPC (FA 2)  | ✓                             | ✓                                | ✓                                |
| Oversee Parks CPC for creation of Chief Yelkus Park – Molalla Forest Road (FA 1, 2, 5)   | ✓                             | ✓                                |                                  |

1

| ACTION ITEM  | GOAL<br>(ongoing/in progress) | EXPECTATION<br>(yearly function) | ACCOMPLISHED<br>(task completed) |
|--|-------------------------------|----------------------------------|----------------------------------|
| Oversee Parks CPC for creation of Strawberry Park (FA 1, 2, 5)                                     | ✓                             |                                  | ✓                                |
| <i>(City Recorder)</i>   |                               |                                  |                                  |
| Provide prompt service when fulfilling Public Records Requests (FA 3, 4)                           | ✓                             | ✓                                | ✓                                |
| <i>(Finance Department)</i>  |                               |                                  |                                  |
| Develop Human Resources Department (FA 4)  | ✓                             |                                  | ✓                                |
| Assist all departments with funding for projects (FA 4)  | ✓                             | ✓                                | ✓                                |
| Annually receive Budget Award (FA 4)   | ✓                             | ✓                                | ✓                                |
| Annually receive good audit (FA 4)   | ✓                             | ✓                                | ✓                                |
| Continual Grant Management (ARPA, CRF, CDBG, etc.) (FA 4)  | ✓                             | ✓                                |                                  |
| Organize and secure funding for Police Facility  | ✓                             |                                  |                                  |
| Organize and secure funding for Park Property Purchase (FA 1, 2, 4, 5)                             | ✓                             |                                  | ✓                                |
| Financial Health – 5 yr plan<br>Auditors state that we are better than most Cities our size (FA 4) | ✓                             | ✓                                |                                  |

2



LIBRARY

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

| ACTION ITEM  | GOAL<br>(ongoing/in progress) | EXPECTATION<br>(yearly function) | ACCOMPLISHED<br>(task completed) |
|--|-------------------------------|----------------------------------|----------------------------------|
| <b>2021 Action Items</b>   |                               |                                  |                                  |
| Actively participate in Celebrate Molalla and National Night Out<br>(FA 1, 2)  |                               | ✓                                |                                  |
| Coordinate with Molalla Current for updates and monthly newsletter<br>(FA 1, 2)  |                               | ✓                                |                                  |
| Promote local musicians through summer Music in the Park series<br>(FA 1, 2)   |                               | ✓                                |                                  |
| Plans programs promoting all holidays, increasing awareness of diversity of culture and celebrations<br>(FA 1, 2, 5)       |                               | ✓                                |                                  |
| Library employs Spanish speaking staff to assist in all aspects of communication with Hispanic community<br>(FA 2)         |                               | ✓                                |                                  |
| Provide materials and online databases to assist in career and test taking skills for local high school students<br>(FA 3) |                               | ✓                                |                                  |
| The Molalla Library is a full-service resource hub.<br>(FA 4)  |                               | ✓                                |                                  |
| Provide a variety of resources to community regarding the environment and sustainability<br>(FA 5)                         |                               | ✓                                |                                  |
|  |                               | ✓                                |                                  |
|  |                               |                                  |                                  |
| <b>ACTION ITEM</b>   | <b>GOAL</b>                   | <b>EXPECTATION</b>               | <b>ACCOMPLISHED</b>              |

1

LIBRARY

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

|  | (ongoing/in progress) | (yearly function) | (task completed) |
|--|-----------------------|-------------------|------------------|
| <b>2022 Action Items</b>   |                       |                   |                  |
| Collaborate with Todos Juntos to provide outreach programs<br>(FA 1, 2)                                    |                       | ✓                 |                  |
| Collaborate with local daycare centers to promote literacy skills<br>(FA 1)                                |                       | ✓                 |                  |
| Collaborate with Lutheran Family Services to restart Citizenship Classes<br>(FA 1)                         |                       | ✓                 |                  |
| Create additional teen activities for local students, providing a safe place for teens to gather<br>(FA 3) |                       | ✓                 |                  |
| Introducing a Tree Planting Program to celebrate Earth Day 2022<br>(FA 5)                                  | ✓                     | ✓                 |                  |
|  |                       |                   |                  |
|  |                       |                   |                  |

2

POLICE DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

| ACTION ITEM  | GOAL<br>(ongoing/in progress) | EXPECTATION<br>(yearly function) | ACCOMPLISHED<br>(task completed) |
|--|-------------------------------|----------------------------------|----------------------------------|
| <b>2021 Action Items</b>   |                               |                                  |                                  |
| New Policy Facility<br>(FA 1-5)                                  | ✓                             |                                  |                                  |
| Police Department Webpage Update<br>(FA 1, 2, 5)                 | ✓                             |                                  |                                  |
| Public Information Officer<br>(FA 1, 2, 5)                       | ✓                             |                                  |                                  |
| Expand Bike Patrol<br>(FA 2)                                     |                               | ✓                                |                                  |
| Establish Police Facility CPC<br>(FA 1-5)                        |                               |                                  | ✓                                |
| Develop Bicycle Registration & Education<br>Program<br>(FA 2, 3) | ✓                             |                                  |                                  |
| Sustainable Police Department Staff<br>(FA 2, 3)                 | ✓                             |                                  |                                  |
| Pursue Traffic Unit Grants<br>(FA 2, 3, 4)                       |                               | ✓                                |                                  |
| Develop Drug Recognition Expert<br>(FA 2, 3)                     | ✓                             |                                  |                                  |
| Investigate Use of Drone<br>(FA 2, 3)                            | ✓                             |                                  |                                  |
| Maintain Police Accreditation<br>(FA 2, 3)                       |                               | ✓                                |                                  |
|  |                               |                                  |                                  |
|  |                               |                                  |                                  |
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|  |                               |                                  |                                  |
|  |                               |                                  |                                  |

1

POLICE DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – February 23, 2022

| ACTION ITEM  | GOAL<br>(ongoing/in progress) | EXPECTATION<br>(yearly function) | ACCOMPLISHED<br>(task completed) |
|--|-------------------------------|----------------------------------|----------------------------------|
| <b>2022 Action Items</b>   |                               |                                  |                                  |
| Participate in Molalla Current Updates<br>(FA 1)   |                               | ✓                                |                                  |
| Collaborate with Molalla & Colton Fire<br>Departments (active shooter training)<br>(FA 1)  |                               | ✓                                |                                  |
| Collaborate with MRSD to create an<br>Emergency Management Plan<br>(FA 1)  | ✓                             |                                  |                                  |
| Collaborate with local businesses –<br>Evaluating security measures in event of active<br>shooter or similar emergencies<br>(FA 1) | ✓                             |                                  |                                  |
| Coordinate community events with other<br>agencies (Buckeroo, 5K run, Chamber Parade)<br>(FA 2)                                    |                               | ✓                                |                                  |
| Partner with DEA – National Drug Take Back<br>Day, including year-round kiosk at PD<br>(FA 2)                                      |                               |                                  | ✓                                |
|  |                               |                                  |                                  |
|  |                               |                                  |                                  |

2

| VISION & ACTION PLAN   | GOAL<br>(ongoing/in progress) | EXPECTATION<br>(yearly function)  | ACCOMPLISHED<br>(task completed)   |
|--|-------------------------------|---|--|
| <b>2021 Goals</b>  |                               |   |  |
| Complete Clark Park Phase 4 (FA 1, 2, 5)   | Completed - In warranty       | 20-05: N/A  | Project Closed.  |
| Complete Creamery Creek Park *Now Strawberry Park* (FA 1, 2, 5)                  | In progress                   | 20-07: Complete Project 2022  | Equipment on order, infrastructure in engineering.   |
| Establish Bohlander Field Vision (FA 1, 2, 5)                                    | None Yet                      | Adopt Vision (Council) 2022   | Included on 2022 Goals   |
| Recruit and Implement Parks CPC (FA 1, 2, 5)                                     | Ongoing (CPC Seated)          | Meet regularly on Park Development, and Master Plan   | Fox Park & Strawberry Park Developing, Chief Yelkus Park Named and Designing   |
| Complete Molalla Forest Road Bike & Ped Path Phase 1 (FA 1, 5)                   | Completed - In warranty       | 19-07: N/A  | Project Closed.  |
| Replace Park equipment at Fox Park (FA 2)  | In progress                   | 21-11: Complete 2022  | Equipment on order, infrastructure in engineering.   |
| Investigate Use of Marketing Firm (FA 1, 2)                                      | None Yet                      | Determine potential scopes of work and pricing 2022   | None   |
| Complete Water Master Plan (FA 3)  | Completed                     | 19-02: N/A  | Project Closed - Adopted 5/26/21   |
| Continue Transportation Projects on OR 211 and OR 213 (Traffic Signal) (FA 2, 3) | Ongoing                       | 18-08: 213/Toliver RAB, Complete 2023; 19-04: Cascade Center, Complete 2022; 19-09: 211/Molalla Signal, Complete 2022; 1000 W Main frontage/220 W Main frontage/1522 W Main frontage/501 E Main frontage /31330 Hwy 213 frontage – All Complete 2022. | 19-04: Cascade Center full street improvements complete, 211 & Molalla Ave signal nearly complete; 17-04 211 Bike/Ped path complete; New ADA ramps along 211 complete; Executing private improvements on 211/213; 18-08 Row acquisition in work. |
| Right-of-Way acquisition and development of Leroy Avenue (FA 2)                  | In progress                   | 19-04: obtain ROW through to Lowe Rd., complete existing S Leroy frontage improvements  | Completed S Leroy improvements except portion developing with new Apt's, and unowned ROW at end.   |

|   |  |   |  |
|---|--|---|--|
| Designate Truck Route to ease congestion and improve safety of Molalla Avenue (FA 2)            | Completed                              | N/A   | Truck Route Completed: Ord 2020-12, adopted 11/18/2020.  |
| Street Utility Fee (FA 3)   | Ongoing                                | Review street utility fee options, begin public process, pass fee or other tax as applicable                            | Added to Council's Goals for 2022.   |
| Park Utility Fee or Park Use Fee (FA 5)   | None                                   | Removed from list until street fee work is done.  | Removed from Council's Goals for 2022.   |
| Examine Funding Options for Acquisition of Railroad Right of Way (FA 5)                         | Ongoing                                | Begin regional discussions with County and Canby.   | Determined that RR Company only interested in selling all ROW, not just city portion.  |
| Explore Travel Oregon Grant – Wayfinding Kiosks (FA 1)  | Completed                              | N/A   | Grant awarded, kiosks and maps placed, art contest ongoing. Grant closed.  |
| Managed Growth Efforts – Molalla Current Established (FA 1)                                     | Completed                              | Additional Implementation Steps 2022.   | Completed: Molalla Current procured, developed, marketed and functioning.  |
| Community Identity – Branding Action (Real People, Real Adventure, Real Fun) (FA 1)             | Ongoing                                | Facilitate a community branding initiative to incorporate new logo/slogan into the community.                           | Logo/Slogan Adopted and Being Implemented on Community Development initiatives.  |
| Coordinate with Chamber to develop digital map to be used on wayfinding kiosks (FA 1)           | Ongoing                                | Licensing agreements implemented; non-chamber businesses allowed on map.  | Map product with list of tourism/travel developed. Digital space created and included.   |
| Collaborate with Chamber to bring Business Resource Center to Molalla Business Community (FA 1) | Completed                              | N/A   | Negotiated with BRC to include Molalla, brought Chamber rep to BRC rep, Chamber offered funding from BRC's to host ½ time BRC employee. Chamber did not approve. |
| Establish Beautification & Culture CPC – Dissolve Arts & Culture and Economic Dev. CPC's (FA 2) | Ongoing (CPC Seated, others dissolved) | Meet regularly to discuss beautification and culture initiatives. Gateways, mural code, architectural standards... etc. | Working on Destination Ready Assessment and Kiosk Art Contest.   |
| Involved with negotiation of new Police Facility project (FA 1-5)                               | Completed                              | N/A   | Several months of negotiation on purchase of property, price lowered from \$1.1 mil, to \$500k   |

COMMUNITY DEVELOPMENT DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – March 23, 2022

|  |             |   |  |
|--|-------------|---|--|
| Conduct Phase I environment on new Police Facility property (FA 1 – 5)                         | Completed   | N/A   | Enviro 1 completed, no issues of major concern.  |
| Police Facility Stormwater/drainage improvements scheduled in Phase II (ARPA Funding) (FA 1-5) | In progress | Contract with project manager, design/engineer storm/drainage improvements based on selected design... complete improvements 2022 | Real property acquired, personal property auctioned, project manager contract under review.  |
| Purchase Reader Board for City Hall (FA 2)   | Completed   | Establish use policy for regular and special posting to board.  | Board fully installed and fully functioning.   |
| Develop and Install Public Parking Signs at City Hall public areas (FA 2)                      | Completed   | N/A   | Public parking signs added on N Molalla Ave, adjacent to lots on Ross, in lots, and on kiosks.                                     |
| Monthly Newsletter via Molalla Current (FA 2)  | Ongoing     | Continue monthly newsletter, enhance as opportunity allows.   | Established the Molalla Current Monthly E-Newsletter using the tool on Molalla Current.  |
| Local Government Internship hosted by Planning Department (FA 2, 3)                            | Ongoing     | Disseminate opportunity to home and charter school as well as public school.  | Hosted one H.S. intern with great success.   |
| Provided Description for non-degree seeking City internship to MRSD program manager (FA 2)     | Completed   | N/A   | Developed and provided non-degree seeking internship, then MHS advised the program was cancelled.                                  |
| Economic Development Plan created and adopted by City Council (FA 3)                           | Completed   | Continue to work on ED plan task list...  | Conducted numerous meetings, significant research, and other public outreach in development of plan. Adopted by Council on 6/9/21. |
| How to "Start a New Business" checklist created and posted on website (FA 3)                   | Ongoing     | Upgrade checklist to include any/all new processes and policies. Integrate in Planning Handbook.                                  | Developed and posted start a business checklist.   |

COMMUNITY DEVELOPMENT DEPARTMENT

MOLALLA AREA VISION AND ACTION PLAN 2030

Approved by City Council – March 23, 2022

| VISION & ACTION PLAN  | GOAL (ongoing/in progress) | EXPECTATION (yearly function)   | ACCOMPLISHED (task completed)  |
|---|----------------------------|---|--|
| <b>2022 Goals – Carried Forward from 2021</b>                                       |                            |   |  |
| Complete Creamery Creek Park *Now Strawberry Park* (FA 1, 2, 5)                     | In progress                | 20-07: Complete Project 2022  | Equipment on order, infrastructure in engineering.   |
| Establish Bohlander Field Vision (FA 1, 2, 5)                                       | None Yet                   | Adopt Vision (Council) 2022   | Included on 2022 Goals   |
| Replace Park equipment at Fox Park (FA 2)   | In progress                | 21-11: Complete 2022  | Equipment on order, infrastructure in engineering.   |
| Investigate Use of Marketing Firm (FA 1, 2)   | None Yet                   | Determine potential scopes of work and pricing 2022   | None   |
| Continue Transportation Projects on OR 211 and OR 213 (Traffic Signal) (FA 2, 3)    | Ongoing                    | 18-08: 213/Toliver RAB, Complete 2023; 19-04: Cascade Center, Complete 2022; 19-09: 211/Molalla Signal, Complete 2022; 1000 W Main frontage/220 W Main frontage/1522 W Main frontage/501 E Main frontage /31330 Hwy 213 frontage – All Complete 2022. | 19-04: Cascade Center full street improvements complete, 211 & Molalla Ave signal nearly complete; 17-04 211 Bike/Ped path complete; New ADA ramps along 211 complete; Executing private improvements on 211/213; 18-08 Row acquisition in work. |
| Right-of-Way acquisition and development of Leroy Avenue (FA 2)                     | In progress                | 19-04: obtain ROW through to Lowe Rd., complete existing S Leroy frontage improvements  | Completed S Leroy improvements except portion developing with new Apt's, and unowned ROW at end.   |
| Street Utility Fee (FA 3)   | Ongoing                    | Review street utility fee options, begin public process, pass fee or other tax as applicable  | Added to Council's Goals for 2022.   |
| Examine Funding Options for Acquisition of Railroad Right of Way (FA 5)             | Ongoing                    | Begin regional discussions with County and Canby.   | Determined that RR Company only interested in selling all ROW, not just city portion.  |
| Community Identity – Branding Action (Real People, Real Adventure, Real Fun) (FA 1) | Ongoing                    | Facilitate a community branding initiative to incorporate new logo/slogan into the community.   | Logo/Slogan Adopted and Being Implemented on Community Development initiatives.  |

|  |             |   |   |
|--|-------------|---|---|
| Coordinate with Chamber to develop digital map to be used on wayfinding kiosks (FA 1)                                    | Ongoing     | Licensing agreements implemented; non-chamber businesses allowed on map.  | Map product with list of tourism/travel developed. Digital space created and included.      |
| Police Facility Stormwater/drainage improvements scheduled in Phase II (ARPA Funding) (FA 1-5)                           | In progress | Contract with project manager, design/engineer storm/drainage improvements based on selected design... complete improvements 2022 | Real property acquired, personal property auctioned, project manager contract under review. |
| How to “Start a New Business” checklist created and posted on website (FA 3)   | Ongoing     | Upgrade checklist to include any/all new processes and policies. Integrate in Planning Handbook.                                  | Developed and posted start a business checklist.  |
| <b>2022 Goals – Newly Established</b>  |             |   |   |
| Develop a tracking system to account for needed data points for DLCD annual reporting requirements (over 10k population) | In Progress | Integrate datapoints into tracking system. Backlog 1-year of data and report.   | Data points identified.   |
| Complete Housing Needs Analysis and associated plan amendments   | In Progress | Contract consultant, conduct studies and public outreach, complete studies, adopt findings.                                       | Grant awarded. RFP out for bids.  |
| Identify funding for, and begin Employment Lands Studies to aid in UGB exploration                                       | None Yet    |   |   |
| Reconcile PSP Zoning and complete associated plan amendments   | In Progress | Complete rezoning/comp plan amendments.   | Improperly zone properties identified.  |
| Emergency Management Plan Update   | In Progress | Identify and apply for funding to complete update; begin plan update with expected completion in 2023.                            | Potential grant funding sources identified.   |
| Travel Oregon Destination Ready Assessment and Projects  | In Progress | Complete assessment, identify priority projects, seek funding   | Grant awarded, community advisory committee seated, first 2 meetings complete               |
| Kiosk Art Contest  | In Progress | Establish contest rules and timelines, disseminate, and select. Seek options for sustainability of contest.                       | B & C Committee researching Art contests and working to develop proposed rules.             |
| Mural Program  | In Progress | Finalize and adopt comprehensive local mural program  | B & C Committee researching mural programs.   |

|   |             |   |   |
|---|-------------|---|---|
| Developer Assistance Programs   | In Progress | Complete MURA Opportunity Fund Grant Program and adopt, Adopt expanded enterprise zone, manage IOF – Dansons project.                               | Outline for MURA opportunity fund complete, Enterprise Zone Expansion in beginning stages, ODOT IOF grant awarded for Dansons improvements. |
| Develop integrated project management program and procedures to include Engineering, Finance, Public Works, Planning, and Administration. | In Progress | Map all processes and develop digital tools.  | Opening checklist prototype complete, private development checklist complete.   |
| Secure property for 2.0 MG Water Tank   | Ongoing     | Determine costs, identify and obtain funding.   | Land owner talks and tank design/placement costs and options explored.  |
| Water Intake Structure  | Ongoing     | Determine design and costs.   | Put into CIP as a priority water project.   |
| Complete Water Service Leak Repairs   | In Progress | Conduct actual repairs.   | 21-06: Out for bids, other service leaks in engineering.  |
| Wastewater Treatment Plant  | In Progress | Identify funding sources, determine what (if any) property may be acquired to continue design. Ensure continued compliance with DEQ consent decree. | Substantial research into potential funding sources currently underway. Negotiating for potential property purchase.                        |
| Wastewater Consent Decree Compliance  | In Progress | Continue removal of biosolids, I & I mitigation, and TMDL Mercury plan  | Developed and implemented bio-solid removal plan, conducted substantial I & I mitigation, and turned in draft TMDL Mercury plan to DEQ.     |
| Molalla Forest Road Exploration   | None yet    | Determine what it will take to open MFR from S Molalla to OR-211  | Walked road and observed potential issues.  |
| Develop Stormwater Master Plan, CIP, and Rate Study   | None yet    | Identify potential funding resources to complete plan. Contract with consultant and begin planning process.   | N/A   |
| Mitigate Flooding in the Community  | None yet    | Identify flood prone areas and determine action/costs to mitigate.  | N/A   |
| Chief Yelkus Park Development   | In Progress | Complete park and roadway design. Assess funding availability   | Parks CPC has solicited public input on the park proper. Design &   |

|   |             |  |   |
|---|-------------|--|---|
|   |             | and proceed with construction as funding allows.   | Engineering work being done on roadway in front of park                   |
| Civic Center Renovation   | In Progress | Complete Council/Court Chamber and Executive Session room in 2022. Complete CDB Grant improvements in 2023.                  | 21-10: Digital upgrades complete, dais on order, construction contracted. |
| City Hall Upstairs Renovation   | In Progress | Construction in progress, complete 2022.   | 21-04: design, engineering, bids, all complete.                           |
| System Development Charges and Capital Improvement Plan reconciliation and adoption | Ongoing     | Hire consultant to reconcile and present options to Council, adopt. Create a new baseline with certainty of appropriateness. | Multiple work sessions and discussions on this topic.                     |

| Repeating Annual Goals/Tasks   |  |
|--|--|
| Provide Exceptional Customer Service (FA 1-5)                                  | Manage and Facilitate Parks CPC (FA 1, 2, 5)         |
| Manage and Facilitate Beautification & Culture CPC (FA 1, 2, 5)                | Implement Economic Development Plan (FA 1-5)         |
| Produce and Disseminate the Molalla Current E-Newsletter (FA 1-5)              | Host Local Government Internship Program (FA 2, 3)   |
| Manage the Molalla Current and Use it to Engage the Molalla Community (FA 1-5) | Manage, Facilitate and Train the Planning Commission |
| Implement Water Master Plan  | Implement Wastewater Master Plan                     |
| Implement Stormwater Master Plan   | Implement Transportation Master Plan                 |
| Implement Downtown Master Plan   | Implement Parks Master Plan                          |
| Implement Development Code   | Implement Comprehensive Plan                         |



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# ECONOMIC VITALITY (EV) ROADMAP

City of Molalla

June 9, 2021



## VISION PLAN: 5 FOCUS AREAS

**5 Focus Areas** based on City aspirations for 2030:

- 1. A resilient community that passionately recognizes and builds on its history, culture, and location
- 2. A welcoming, friendly and vibrant community with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses, and visitors
- 3. An economically sound and growing community which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people
- 4. A full-service hub of resources
- 5. A beautiful and tranquil area where people are deeply connected to its unique natural features





# THE MOLALLA ECONOMIC DEVELOPMENT COMMITTEE

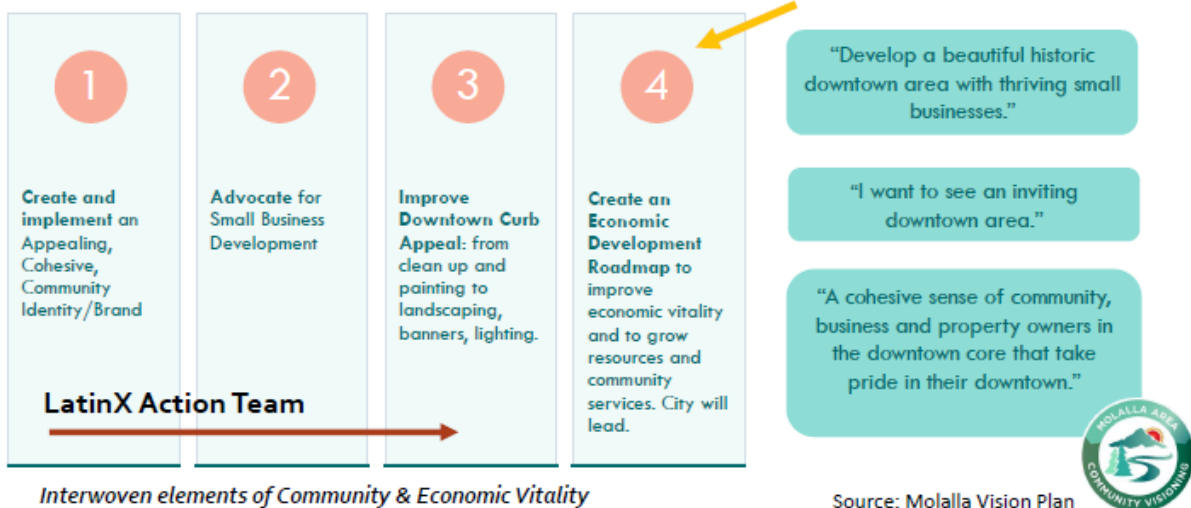
**PURPOSE:** To assist with the creation of a tangible economic development action plan and encourage community engagement in implementation

- Pamela Lucht - NW Transplants LLC
- Elizabeth (Lizz) Klein – City Council
- Crystal Robles - City Council
- Brad Berzinski - Molalla High School
- Robert Thompson - Welcome to Molalla & eXp Realty LLC
- Mac Corthell - City Planning Director



*Guided by a Community-based Process*

## PRIORITIES FOR ACTION – 2021



## Sample of Results:

- Story Walk Storyboards are underway
- Clean-up Day planning
- Organized Advocacy for Highway improvements
- Small Business Outreach & Survey Completed
- Engagement of LatinX residents
- Draft Molalla Identity & Market Position Statement
- Flower baskets/planter program underway
- Engaged and committed Steering Committee meeting monthly

*Nearly 40 community members are engaged with moving Molalla's Vision Plan to Action!*



## WHAT MAKES AN ECONOMIC BASE?



*"It's not one thing!"*



*In this work, stay focused on:*

# BUSINESS INTERESTS & RESOURCES

- Workforce – Talent, Education
- Competitive Business Costs
- Market (access, consumer base)
- Quality of Life
- Government/Regulation (positive)
- Real Estate
- Incentives, Financing, Capital
- Housing



## Assessment and Next Steps Highlights.....



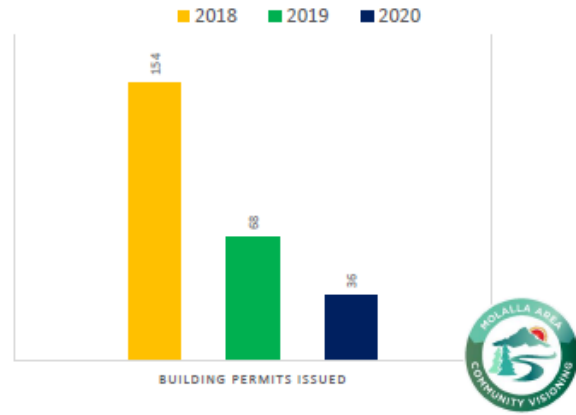
OUR COMMUNITY is  
Growing and Changing



# GROWTH TRENDS: *Building Permits Issued*

| 2020        |      |
|-------------|------|
| Residential | 32   |
| Commercial  | 4    |
| Industrial  | 0    |
| 2019        |      |
| Residential | 64   |
| Commercial  | 4    |
| Industrial  | 0    |
| 2018        |      |
| Residential | 152* |
| Commercial  | 1    |
| Industrial  | 1    |

\*includes Bear Creek



*In May 2021, 16 commercial & industrial projects are active.*

As of May 2021, 16 active projects in pipeline:  
*12 commercial & 4 industrial*



**Nearly \$28 million in investment**  
**233 jobs anticipated**

- Self Storage - Cascade Center
- AutoZone - Cascade Center
- Grocery Outlet - Cascade Center
- Dollar Tree - Cascade Center
- Goodwill - Cascade Center
- Burger King - Cascade Center
- Dollar General - Cascade Center
- Dairy Queen
- Dansons
- Molalla Market Place Bank
- Molalla Market Place Retail
- Scandia
- Center Market
- B & I Construction and Office Space
- Industrial Landscaping Company
- Industrial Landscaping Company Retail Space
- Mobile Food Unit Pod
- By Design Steel Company





## ECONOMIC DIVERSITY IS A KEY ASSET

3200 local jobs - From agriculture and manufacturing to tourism and retail



## WHAT LOCAL BUSINESSES ARE SAYING...



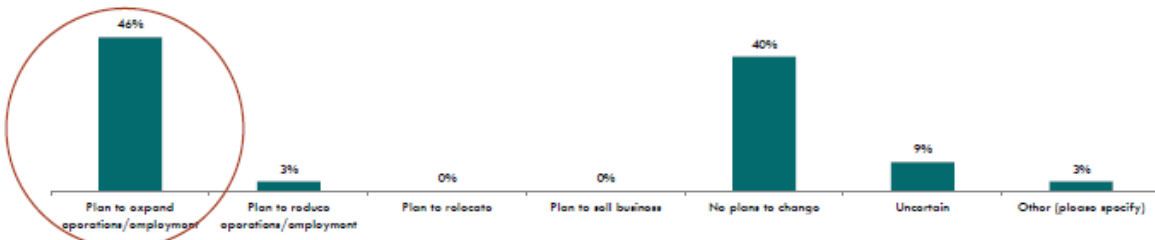
Molalla's Small Business Advocacy Action Team created a Small Business Survey, garnering 35 responses from local business owners and/or operators in March 2021. What follows are a few key highlights from results.

- Business owners are **generally optimistic** despite a tumultuous 2020 – with most saying they either will expand or stay steady
- When asked about the top advantages of doing business in Molalla, an overwhelming majority pointed to the **small town feel and local community**

Q10 What are the top advantages of doing business within Molalla? List up to three.

area Day access Small town other home close local Close home  
 people great business easy town work  
 community advantage growing products Molalla  
 Customer live help supporting by love

Which phrase best describes your plans to expand or reduce your operations in the next 1 or 2 years?



# BUSINESS CLIMATE SUMMARY

## ASSETS



- Well-rated high school
- Community feel, neighborly support
- Natural beauty and resources
- Economic diversity

## CHALLENGES



- The availability and skill level of workforce
- Ability to navigate and keep up with the tax laws and government regulation
- Limited land availability
- Market support/shoppers
- Downtown parking is limited
- Limited roads in and out of town

Source: Molalla Small Business Survey



# CHALLENGES



"There are way too many vacant buildings and small businesses have a hard time. Something needs to be done to help small businesses and encourage property owners to maintain their buildings and work with renters."



"We really need another store out here. I shop Winco, Trader Joe's and Costco because Safeway is always understaffed and overpriced. Maybe a lower priced store would keep people local for shopping!"



# Available Industrial Space exists but is limited and little is 'on the market'

Only 1 Industrial space actively marketed (spring 2021)

- Molalla Forest Road Industrial Park
- 17,800 SF building on 14.55 AC lot

Undeveloped; but What's Buildable?

**Vacant Heavy Industrial (M-2)**  
Within UGB: 128.99 ac

**Vacant Light Industrial (M-1)**  
In UGB: 13.41 ac



Sources: Loonet. City of Molalla

## OPPORTUNITIES



### Retail Business Development

- Fill vacant business spaces;
- Expand retail base
- Marketing campaigns

### Quality of Life Improvements

- Home prices
- Schools
- Recreation
- Crime

### Tourism Development

"More shopping and food options."

"More grocery stores!"

"Bring back a vital Main Street to the heart of town -- a bustling 'old-town,' busy with hometown business, like it once was."

### Industry Cluster Expansion



# How to: Grow the Economy?

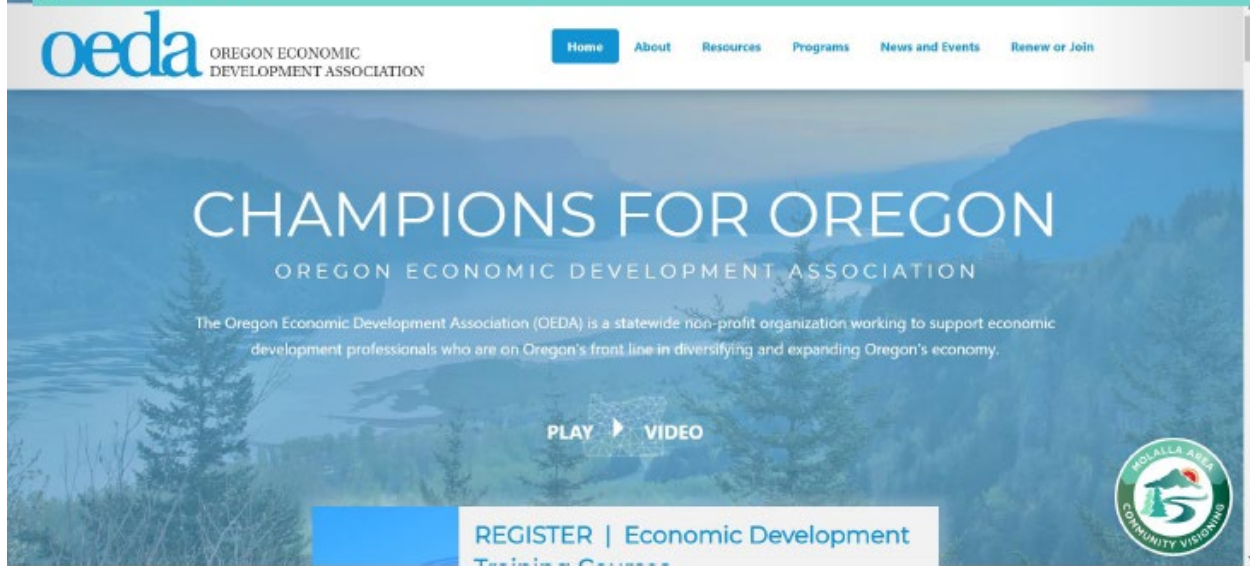
## Economic Development Core Services

1. Build Your ED Network & Synergies
2. Business Assistance & Facilitation
3. Business Attraction & Marketing
4. Entrepreneurial Development
5. Economic Snapshots & Benchmarks
6. Branding
7. Marketing (e.g., website)





# 1. Get active within the economic development profession.



# 2. Tap Economic Development Partners and Resources (many!)



### 3. Tell Your Story – Promote Your Successes!

## Ex: VISITOR INDUSTRY

Travel Oregon Molalla page features Molalla Train Park, the Buckaroo and Rosso Passo Across Elk Farm

- There are opportunities to draw more visitors in to Molalla. Key to success = Partner with key attraction and visitor industry leaders in and around the area to increase Molalla's market exposure.

| DON'T MISS IN MOLALLA                    |  |                                     |
|--|--|-------------------------------------|
| Golden Avenue Food Center<br>MOLALLA, OR | Japan Park<br>MOLALLA, OR                        | Tule Buck Wilderness<br>MOLALLA, OR |
| Elk & Vibe<br>MOLALLA, OR                | White Horse Restaurant and Saloon<br>MOLALLA, OR | Elk Area Distillery<br>MOLALLA, OR  |

- Welcome to Molalla page has space for upcoming events and offers a comprehensive spot for visitors to see businesses and restaurants. Continue to build on the momentum on that page!



### 4. Get a clear picture of your real estate: commercial and industrial and how to expand 'market-ready' properties.

.....*Investment is a must*

*Staff. Marketing and Visibility. Planning for continued economic growth.*



---

# 2021 – 2022 FY Workplan



|            |   |
|------------|---|
| Strategy 1 | Support and guide the Economic Development Steering Committee(SC) and Action Teams  |
| Strategy 2 | Encourage and support formation of Latinx Action Team   |
| Strategy 3 | Strengthen partnerships with and leverage resources of economic and business development organizations to serve Molalla business community                      |
| Strategy 4 | Meet 1-on-1 with Molalla's largest employers (starting w/ traded sector) to build relationship and understand and help address key challenges and opportunities |
| Strategy 5 | Follow-up with small business survey respondents  |
| Strategy 6 | Help new and expanding commercial/industrial businesses offset cost of infrastructure improvements  |
| Strategy 7 | Promote City's commitment to economic development and provide businesses 1-stop info center by adding economic development webpage to website                   |
| Strategy 8 | For Visitor Marketing, clarify organizational roles and responsibilities of City, Ec Dev Steering Committee, Welcome to Molalla and Chamber + next steps        |
| Strategy 9 | Increase positive media coverage of Molalla's accomplishments, events, community spirit   |

# Statutory and Administrative Rule References

|  | ORS/OAR           |
|--|-------------------|
| <b>I. Time of Making Budget</b>  |                   |
| A. Budget message.   | 294.408           |
| <br>   |                   |
| <b>II. Budget Officer</b>  |                   |
| A. Appointed by the governing body.  | 294.331           |
| B. Under supervision of executive officer or governing body.   | 294.331           |
| C. Prepares or supervises preparation of budget.   | 294.331           |
| D. Publishes notice of meeting of budget committee including notice of where a copy of the budget is available.  | 294.426(3)(a)     |
| If published only in a newspaper of general circulation, the notice is published twice between five to 30 days before the meeting. If published once in a newspaper of general circulation, the notice is also published on the district's website, and the website address is included in the newspaper publication. If published by mailing or hand delivery, the notice is published not later than 10 days before the meeting. | 294.426(5)        |
| E. Provides copy of budget to committee.   | 294.426(2)&(6)    |
| F. Files copy of budget in office of governing body immediately following presentation of budget to committee.   | 294.426(7)        |
| <br>   |                   |
| <b>III. Budget Document</b>  |                   |
| A. Coming year budget shown:   | 294.358           |
| 1. Proposed  |                   |
| 2. Approved  |                   |
| 3. Adopted   |                   |
| B. Current year budget shown.  | 294.358           |
| C. First preceding year actual resources <b>and</b> expenditures.  | 294.358           |
| D. Second preceding year actual resources <b>and</b> expenditures.   | 294.358           |
| E. Each fund to contain estimates of expenditures for:   | 150-294.388       |
| 1. Personal services   | 294.388           |
| 2. Materials and services  | 294.388           |
| 3. Capital outlay  | 294.388           |
| 4. Special payments and interfund transfers  | 294.388           |
| 5. General operating contingencies   | 294.388           |
|  | 150-294.388(7)    |
| <br>   |                   |
| <b>IV. Budget Resources</b>  |                   |
| A. Estimate of beginning cash balances for the ensuing year.   | 294.361(2)        |
| B. Estimate for delinquent tax collection included if fund has been tax-supported.   | 294.361(2)(k)     |
| C. Transfers budgeted as requirements in other funds.  | 294.361(2)(q)     |
| D. Resources must be equal to requirements.  | 294.388(1)        |
|  | 150-294.352(1)(B) |

E. Excess of actual revenues over actual expenditures in second preceding year must equal the beginning balance in first preceding year.

## V. Debt Service Fund

- A. Principal and interest payments identified for each bond issue. 294.388(6)
- B. Requirement shown in unappropriated ending fund balance. 294.398  
(For payments between end of coming fiscal year and receipt of taxes in second coming year.) 150-294.398

## VI. Budget Committee

- A. A budget committee is established by each local government subject to Local Budget Law. 294.414(1)
- B. Committee shall consist of the members of the governing body and an equal number of qualified electors. 294.414(2)
- C. Committee shall at its first meeting elect a presiding officer from its members. 294.414(9)
- D. The purpose of the budget committee is to receive the budget document and budget message, and to provide the public with an opportunity to ask questions and comment on the budget. 294.426(1)
- E. Duty of the committee to review, or revise and approve the budget document. 294.428(1)
- F. Committee may compel any official or employee of the municipality to furnish information regarding the budget. 294.428(3)

## VII. Financial Summary

- A. Publish Financial Summary, LB-1, UR-1, CC-1 or ED-1 five to 30 days prior to the public hearing. 294.438(1)
- B. Summary of indebtedness is shown on Form LB-1, UR-1, or ED-1. 294.438(7)

## VIII. Publication of Notice of Budget Hearing

- A. Notice of budget hearing advertised five to 30 days prior to hearing. 294.448(2)
- B. If budget requirements do not exceed \$100,000 and no newspaper is published in district, the financial summary and notice of hearing can be posted for at least 20 days prior to the hearing. 294.448(1)

## IX. After Public Hearing of Budget

- A. Changes, if made after hearing, cannot increase estimated expenditures of any fund more than \$5,000 or 10 percent, whichever is greater, of the amounts approved by the budget committee. 294.456(1)(c)(A)
- B. Budget adopted prior to June 30. 294.408

C. Levy the taxes. 294.456(1)  
150-294.456(1)-(A)

D. Make appropriations: 294.456(3)  
150-294.456(3)

1. By organizational unit or program for personnel services, materials and services, and capital outlay.
2. When not allocated to organizational unit or program by:
  - a. personnel services
  - b. materials and services
  - c. capital outlay
  - d. special payments
  - e. transfers
  - f. general operating contingency
  - g. debt service

**X. Certify Tax to Assessor by July 15**

- A. Two copies of the notice of tax; LB-50, UR-50, or ED-50. 150-310.060(A)  
294.458(3)(a)  
310.060(2)  
294.456(1)(c)  
150-294.456(1)-(A)  
310.060(2)(b), (c)
1. Total tax certified cannot exceed amount approved by the budget committee.
  2. Local option taxes are detailed on LB-50 or ED-50 showing:
    - a. Purpose of tax.
    - b. Date of approval by voters.
    - c. Total amount or rate to be imposed.
    - d. Amount to be imposed each year.
    - e. First year of tax.
    - f. Last year of tax.
  3. Levies for the payment of bond principal and interest. 310.060(2)(d), (e)
  4. Categorization of tax. 294.458(3)(c)
- B. Two copies of the resolutions adopting the budget, making appropriations, levying tax, and categorizing tax. 294.458(3);  
310.060(1)
- C. Two copies of successful tax ballot measures. 150-294.458(3)-(a),(c)
- D. File a copy of the budget with the county clerk by September 30. 294.458(5)
- E. School districts file a budget with the county Educational Service District (ESD) and State Department of Education.

**XI. Supplemental Budgets**

150-294.480

- A. One or more of the following circumstances must exist:
1. An occurrence, condition or need which had not been ascertained 294.471(1)(a)&(b)  
at the time the budget was adopted.
  2. Funds were made available by another unit of federal, state 294.471(1)(c)&(d)  
or local government or the costs are to be born by a private individual corporation or company, and the availability of funds could not have been known at the time the budget was adopted.

|  |               |
|--|---------------|
| 3. Proceeds from the involuntary destruction, involuntary conversion, or sale of property has necessitated the immediate purchase, construction, or acquisition of different facilities in order to carry on the government operation. | 294.471(1)(e) |
| 4. Ad valorem taxes are received during the fiscal year in an amount greater than the amount estimated to be collected.  | 294.471(1)(f) |
| 5. A reduction in available resources that requires reduced appropriations.  | 294.471(1)(h) |
| B. A supplemental budget shall not authorize any levy of taxes.  | 294.471(4)    |
| C. A supplemental budget shall not extend beyond the end of the fiscal year during which it is submitted.  | 294.471(2)    |

## **XII. Other**

|  |                |
|--|----------------|
| A. Interfund Transfers.  | 294.463        |
|  | 150-294.463(3) |
| 1. Transfers may be made between appropriations within a fund by board resolution.   | 294.463(1)     |
| 2. Contingency appropriation transfers not to exceed 15 percent of total fund without supplemental budget.   | 294.463(2)     |
| 3. Transfers of appropriations, or appropriations and a like amount of resources, may be made from the general fund to any other fund by board resolution. | 294.463(3)     |
| B. Expenditures outside of the budget.   | 294.338        |
| 1. Specific purpose grants or gifts.   | 294.338(2)     |
| 2. Unforeseen occurrence with non-tax funds.   | 294.338(3)     |
| 3. Bond exceptions.  | 294.338(4)&(5) |
| 4. Bond redemptions expenditures.  | 294.338(5)     |
| 5. Expenditure of assessments for local improvements.  | 294.338(6)     |
| 6. Payment of deferred compensation.   | 294.338(7)     |
| 7. Refunds when purchased items are returned.  | 294.338(9)     |
| 8. Newly formed municipal corporations.  | 294.338(10)    |
| C. Interfund loans.  | 294.468        |
| D. Elimination of unnecessary fund.  | 294.353        |
| E. Major emergencies or public calamities.   | 294.481        |
| F. Basis of accounting.  | 294.333        |
| 1. Cash  |                |
| 2. Accrual   |                |
| 3. Modified Accrual  |                |

## Appendix - Acronyms

|       |  |
|-------|--|
| AED   | Automated External Defibrillator           |
| AV    | Assessed Value                             |
| BLM   | Bureau of Land Management                  |
| CAFR  | Comprehensive Annual Financial Report      |
| CIP   | Capital Improvement Projects               |
| CPI   | Consumer Price Index                       |
| CWSRF | Clean Water State Revolving Loan Fund      |
| DEQ   | Department of Environmental Quality        |
| DHS   | Department of Human Services               |
| DMV   | Department of Motor Vehicles               |
| FASB  | Financial Accounting Standards Board       |
| FTE   | Full Time Employee                         |
| FY    | Fiscal Year                                |
| GAAP  | Generally Accepted Accounting Practices    |
| GASB  | Government Accounting Standards Board      |
| GFOA  | Government Finance Officers Association    |
| LEDS  | Law Enforcement Data System                |
| LOC   | League of Oregon Cities                    |
| MAC   | Molalla Aquatic Center                     |
| MCC   | Molalla Communications Company             |
| OACA  | Oregon Association of Court Administrators |
| OAMR  | Oregon Association of Municipal Recorders  |
| ODOT  | Oregon Department of Transportation        |
| OSHA  | Oregon Safety & Health Association         |
| OSP   | Oregon State Police                        |
| PERS  | Public Employees Retirement System         |
| PGE   | Portland General Electric                  |
| SAIF  | State Accident Insurance Fund              |
| SDC'S | System Development Charges                 |
| STP   | Surface Transportation Program             |
| TAP   | Tourism Action Plan                        |
| TEAM  | Team for Economic Action in Molalla        |
| UPS   | United Parcel Service                      |
| UR    | Urban Reserve                              |
| URA   | Urban Reserve Area                         |
| W & S | Weed & Seed                                |
| WTP   | Water Treatment Plant                      |
| WWTP  | Wastewater Treatment Plan                  |



## Appendix - Glossary

**Accrual basis.** Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)].

**Activity.** That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these. [ORS 294.311(2)].

**Adopted budget.** Financial plan that is the basis for appropriations. Adopted by the governing body [ORS 294.435].

**Ad valorem tax.** A property tax computed as a percentage of the assessed value of taxable property.

**Agent.** Generally, someone who is authorized to act for the local government, or who can make commitments or sign contracts in the name of the local government. Agency is the fiduciary relationship that arises when one person (a 'principal') manifests assent to another person (an 'agent') that the agent shall act on the principal's behalf and be subject to the principal's control, and the agent manifests assent or otherwise consents so to act.

**Appropriation.** Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

**Approved budget.** The budget which has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing [ORS 294.406].

**Assessed value.** The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

**Assessment date.** The date on which the value of property is set, January 1 [ORS 308.210, 308.250].

**Audit.** The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State [ORS 297.425].

**Audit report.** A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders, and regulations

**Balanced budget.** A budget in which the resources equal the requirements in every fund.

**Bequest.** A gift by will of personal property; a legacy.

**Biennial budget.** A budget for a 24-month period.

**Billing rate.** The tax rate used to compute ad valorem taxes for each property

**Budget.** Written report showing the local government’s comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

**Budget committee.** Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district [ORS 294.336].

**Budget message.** Written explanation of the budget and the local government’s financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body [ORS 294.391].

**Budget officer.** Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget [ORS 294.331].

**Budget period.** For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also “Fiscal year.”

**Budget transfers.** Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

**Capital outlay.** Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.352 (6)].

**Capital projects fund.** A fund used to account for resources, such as bond sale proceeds, to be used for major capital item purchase or construction [OAR 150-294.352 (1)].

**Cash basis.** System of accounting under which revenues are accounted for only when received in cash and expenditures are accounted for only when paid [ORS 294.311 (9)].

**Category of limitation.** The three categories in which taxes on property are placed before the constitutional limits can be tested—education, general government, excluded from limitation [ORS 310.150].

**Consolidated billing tax rate.** The combined total of the billing rates for all taxing Districts in a code area. Does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

**Constitutional limits.** The maximum amount of tax on property that can be collected from an individual property in each category of limitation (Art. XI, sect. 11b, OR Const.).

**Debt service fund.** A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352 (1)].

**Devise.** A gift by will of the donor of real property.

**District.** See “Local government.”

**Division of tax.** Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, a.k.a. tax increment revenue.

**Double majority.** A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question.

**Education category.** The category for taxes that will be used to support the public school system and are not used to pay exempt bonded indebtedness [ORS 310.150(2)].

**Encumbrance.** An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(10)].

**Enterprise fund.** A fund established to account for operations financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)].

**Estimate.** (v) To arrive at a rough calculation or an opinion formed from imperfect data. (n) The resulting amount.

**Excluded from limitation category.** The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(2)].

**Exempt bonded indebtedness.** 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)].

**Existing plan.** An existing urban renewal plan is defined as a plan that existed in December 1996 and 1) chose an option and 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.101(4) (a)].

**Expenditures.** Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis [ORS 294.311(16)].

**Fiscal year.** A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

**Fund.** A fiscal and accounting entity with self-balancing accounts to record cash and other financial

resources, related liabilities, balances, and changes, all segregated for specific, regulated activities and objectives.

**Fund balance.** The fund equity of government funds.

**Fund type.** One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150-294.352 (1) and ORS 280.100].

**Gap bonds.** Any portion of a local government's property tax levy used to repay qualified taxing district obligations. This portion was exempted from the calculation of the permanent rate limit. When the debt is paid, the permanent rate is adjusted. Qualified obligations include principal and interest on certain bonds or formal, written borrowings of moneys issued before December 5, 1996, and pension and disability plan obligations that commit property taxes to fulfill those obligations.

**General fund.** A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352 (1)].

**General government category.** The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)].

**Good Faith.** The standard for estimating budget resources and requirements. Good faith estimates are reasonable and are reasonably likely to prove accurate, based on the known facts at the time.

**Governing body.** County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(15)].

**Grant.** A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(19)].

**Inter-fund loans.** Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.460).

**Internal service fund.** A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.470).

**Legal opinion.** The opinion as to legality rendered by an authorized official, such as the Oregon attorney general or city attorney.

**Levy.** (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

**Local government.** Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS

294.311(25).

**Local option tax.** Voter-approved taxing authority in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose, or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4) OR Const.].

**Maximum assessed value (MAV).** A constitutional limitation on the taxable value of real or personal property. It can increase a maximum of 3% each year. The 3% limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

**Maximum authority.** The limitation on the amount of revenue an existing urban renewal plan may raise from the property tax system [ORS 457.435(3)]. The assessor calculated this amount for the 1997-98 tax year for each existing plan based on the taxes each urban renewal plan area would have been entitled to prior to Measure 50. This amount is adjusted each year based on the growth of excess value in the plan area.

**Maximum indebtedness.** The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.010(10)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

**Measure 5.** A constitutional amendment (Art. XI, section 11b OR Const.) passed in 1990 that limits the amount of operating tax which can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

**Measure 50.** A constitutional amendment (Art. XI, section 11 OR Const.) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

**Municipal Corporation.** See "Local government."

**Municipality.** See "Local government."

**Net working capital.** The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(26)].

**Object classification.** A grouping of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(28)].

**Operating rate.** The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

**Option, urban renewal.** Financing arrangement chosen by existing urban renewal plans. Cannot be changed. The options are as follows:

**Option 1** [ORS 457.435(2) (a)], allows the plan to collect division of tax as computed under ORS 457.440. If the amount collected from the division of tax is insufficient, a special levy may be imposed against all taxable property of the municipality that activated the urban renewal agency. Option 1 plans are “reduced rate” (do not divide local option or bond levies approved by voters after October, 2001).

**Option 2** [ORS 457.435(2) (b)]. The Cascade Locks Plan in Hood River County was the only Option 2 Urban Renewal Plan and that plan has been completed. May impose a special levy, but does not collect division of tax.

**Option 3** [ORS 457.435(2) (c)], provides that Option 3 plans can obtain funds from both the division of tax and a special levy. Like Option 1, the agency may limit the amount to be received from the special levy, but unlike Option 1 the agency limited the amount of funds received from the division of tax when the Option was chosen. Option 3 plans are “standard rate” (divide all tax levies).

**Other “standard rate” plan** was adopted between December 1996 and October 2001. Receives division of tax, but no special levy.

**Other “reduced rate” plan** was adopted after October 2001, or was an Option 1 or 2 plan that was substantially amended. Receives division of tax only.

**Ordinance.** A formal legislative enactment by the governing board of a municipality.

**Organizational unit.** Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division) [ORS 294.311 (30)].

**Personal services expenses.** Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

**Permanent rate limit.** The maximum rate of ad valorem property taxes a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can change a permanent rate limit.

**Principal act.** The Oregon Revised Statutes which describe how a certain type of municipal corporation is formed and selects its governing body, the powers it may exercise, and the types of taxing authority its voters may authorize.

**Prior years’ tax levies.** Taxes levied for fiscal years preceding the current one.

**Program.** A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311 (32)].

**Program budget.** A budget based on the programs of the local government.

**Property taxes.** Ad valorem tax certified to the county assessor by a local government unit.

**Proposed budget.** Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

**Publication.** Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address within the boundaries of the local government; and hand delivery to each street address within the boundaries of the local government [ORS 294.311 (34)].

**Real Market Value (RMV).** The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date. For most properties, the value used to test the constitutional limits [ORS 308.205].

**Reserve fund.** Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment [ORS 294.525].

**Resolution.** A formal order of a governing body; lower legal status than an ordinance.

**Resource.** Estimated beginning funds on hand plus anticipated receipts [ORS 294.361].

**SAL Report.** Summary of Assessments and Levies [ORS 309.330].

**Special levy.** A special levy is an ad valorem tax, imposed for an urban renewal plan on the entire municipality that adopted the plan. It is not a result of a division of tax.

**Special revenue fund.** A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) legally restricted to expenditure for specific purposes [OAR 150-294.352 (1)].

**Special payment.** A budget expenditure category for pass-through payments, grants made to other organizations and other one-time or unusual expenditures which do not fall into the other categories of personal services, materials and services, capital outlay, etc.

**Supplemental budget.** A financial plan adopted during a budget period to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax [ORS 294.480].

**Tax increment financing.** A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area by dividing the taxes of local governments.

**Tax on property.** Any tax, fee, charge, or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(1)].

**Tax rate.** The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable

property.

**Tax roll.** The official listing of the amount of taxes imposed against each taxable property.

**Tax year.** The fiscal year from July 1 through June 30.

**Trust fund.** A fund used to account for fiscal activities of assets held in trust by a local government.

**Unappropriated ending fund balance.** Amount set aside in the budget to be carried over to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency [ORS 294.371, ORS 294.455].



# PROPERTY TAX WORKSHEET

|  |   |                   |                  |  |
|--|---|-------------------|------------------|--|
| 1. Permanent Rate Limit  |   | \$5.3058 / \$1000 |                  |  |
|  |   |                   |                  | Enter your Permanent Rate levy             |
| 2. Est. Assessed Value   |   |                   | \$772,087,940.00 | Enter your estimated total Assessed Value. |
|  |   |                   | 3.50%            |  |
| 3. Tax rate (per dollar)<br><i>(converts rate to a decimal)</i>  | X |                   | 0.0053058        |  |
| 4. Amount the Rate would raise   |   |                   | \$4,096,544.19   |  |
| 5. Estimate Measure 5 loss (compression)<br><i>Assessor sends report in Oct each yr shows current yr information referred to as the Table 4a - Summary of Assessment &amp; Levies (SAL) - This inform is entered on LB- 1 &amp; 3 form, line 14a</i> | - |                   | (\$4.20)         |  |
| 6. Tax to be billed  | = |                   | \$4,096,548.39   |  |
| 7. Average Collection Factor<br><i>See your forms &amp; instructions booklet - Page 17 for a 5 year report - by county</i>   | X |                   | 0.96             |  |
| 8. Taxes Estimated to be Received<br><i>Gets entered on LB- 1 &amp; 3 form, line 11</i>  | = |                   | \$3,932,686.46   |  |
| 9. Loss due to discount & uncollectables<br>(line 6 minus line 8)<br><i>Gets entered on LB- 1 &amp; 3 form, line 14b</i>   | = |                   | \$163,861.94     |  |



## Closed Funds

| <b>CWSRF DEBT RETIREMENT</b>       | Historical Data  |                    |             | Budget for FY 2024-2025 |                  |            |
|------------------------------------|------------------|--------------------|-------------|-------------------------|------------------|------------|
|                                    | 2021-2022        | 2022-2023          | 2023-2024   | 2024-2025               | 2024-2025        | 2024-2025  |
|                                    | FISCAL           | FISCAL             | FISCAL      | PROPOSED BY             | APPROVED BY      | ADOPTED BY |
|                                    | Actual           | Actual             | Budget      | Budget Officer          | Budget Committee | Council    |
| BEGINNING FUND BALANCE             | \$ 40,000        | \$ 42,000          | \$ -        | \$ -                    |                  |            |
| <b>REVENUE</b>                     |                  |                    |             |                         |                  |            |
| TRANSFER FROM SEWER                | \$ 2,000         | \$ -               | \$ -        | \$ -                    |                  |            |
| TRANSFER TO GENERAL FUND           | \$ -             | \$ (42,000)        | \$ -        | \$ -                    |                  |            |
| <b>TOTAL FUND REVENUES</b>         | <b>\$ 2,000</b>  | <b>\$ (42,000)</b> | <b>\$ -</b> | <b>\$ -</b>             |                  |            |
| <b>TOTAL GO DEBT FUND RESOURCE</b> | <b>\$ 42,000</b> | <b>\$ -</b>        | <b>\$ -</b> | <b>\$ -</b>             |                  |            |
| <b>REQUIREMENTS</b>                |                  |                    |             |                         |                  |            |
| <b>TOTAL REQUIREMENTS</b>          | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ -</b> | <b>\$ -</b>             |                  |            |
| <b>TOTAL FUND REQUIREMENTS</b>     | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ -</b> | <b>\$ -</b>             |                  |            |
| <b>TOTAL NET STORM SDC FUND</b>    | <b>\$ 42,000</b> | <b>\$ -</b>        | <b>\$ -</b> | <b>\$ -</b>             |                  |            |

**CAPITAL PROJECTS FUND**

|  | Historical Data |           |           | Budget for FY 2024-2025 |             |            |
|--|-----------------|-----------|-----------|-------------------------|-------------|------------|
|  | 2021-2022       | 2022-2023 | 2022-2023 | 2024-2025               | 2024-2025   | 2024-2025  |
|  | FISCAL          | FISCAL    | FISCAL    | PROPOSED BY             | APPROVED BY | ADOPTED BY |
|  | Actual          | Actual    | Actual    | Officer                 | Committee   | Council    |

**RESOURCES**

|                        |          |           |           |     |     |     |
|------------------------|----------|-----------|-----------|-----|-----|-----|
| BEGINNING FUND BALANCE | \$96,237 | \$391,267 | \$411,057 | \$0 | \$0 | \$0 |
|------------------------|----------|-----------|-----------|-----|-----|-----|

**REVENUE**

|   |                    |                    |                     |            |            |            |
|---|--------------------|--------------------|---------------------|------------|------------|------------|
| FUND EXCHANGE                               | \$0                | \$0                | \$700,000           | \$0        | \$0        | \$0        |
| HB 5006 GRANT                               | \$0                | \$0                | \$500,000           | \$0        | \$0        | \$0        |
| CDBG GRANT                                  | \$0                | \$0                | \$100,000           | \$0        | \$0        | \$0        |
| WWTP GRANT                                  | \$0                | \$0                | \$3,400,000         | \$0        | \$0        | \$0        |
| TRANSFER FROM GF ARPA                       | \$0                | \$0                | \$801,000           | \$0        | \$0        | \$0        |
| TRANSFER FROM GENERAL FUND                  | \$0                | \$0                | \$611,397           | \$0        | \$0        | \$0        |
| TRANSFER FROM STREETS                       | \$16,008           | \$14,107           | \$2,356,000         | \$0        | \$0        | \$0        |
| TRANSFER FROM SEWER                         | \$321,626          | \$721,262          | \$1,600,000         | \$0        | \$0        | \$0        |
| TRANSFER FROM SEWER/I&I                     | \$0                | \$0                | \$1,070,000         | \$0        | \$0        | \$0        |
| TRANSFER FROM WATER                         | \$398,275          | \$472,423          | \$1,175,000         | \$0        | \$0        | \$0        |
| TRANSFER FROM WATER IMP-SDC                 | \$0                | \$0                | \$320,000           | \$0        | \$0        | \$0        |
| TRANSFER FROM STREET IMP-SDC                | \$0                | \$0                | \$405,000           | \$0        | \$0        | \$0        |
| TRANSFER FROM PARKS IMP-SDC                 | \$0                | \$0                | \$350,000           | \$0        | \$0        | \$0        |
| TRANSFER FROM STORM IMP-SDC                 | \$0                | \$0                | \$150,000           | \$0        | \$0        | \$0        |
| TRANSFER FROM STORMWATER                    | \$15,153           | \$2,738            | \$4,000             | \$0        | \$0        | \$0        |
| TRANSFER FROM SEWER SDC                     | \$239              | \$0                | \$0                 | \$0        | \$0        | \$0        |
| TRANSFER FROM WATER SDC                     | \$594,498          | \$135,823          | \$0                 | \$0        | \$0        | \$0        |
| TRANSFER FROM STREET SDC                    | \$110,593          | \$84,933           | \$0                 | \$0        | \$0        | \$0        |
| TRANSFER FROM PARKS SDC                     | \$497,937          | \$485,952          | \$0                 | \$0        | \$0        | \$0        |
| TRANSFER FROM STORM SDC                     | \$239              | \$0                | \$0                 | \$0        | \$0        | \$0        |
| TRANSFER FROM GF-POLICE DEPT                | \$300,000          | \$500,000          | \$500,000           | \$0        | \$0        | \$0        |
| <b>TOTAL FUND REVENUES</b>                  | <b>\$2,254,569</b> | <b>\$2,417,238</b> | <b>\$14,042,397</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>TOTAL BEGINNING FUND BALANCE</b>         | <b>\$96,237</b>    | <b>\$391,267</b>   | <b>\$411,057</b>    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>TOTAL CAPITAL PROJECTS FUND RESOURCE</b> | <b>\$2,350,806</b> | <b>\$2,808,505</b> | <b>\$14,453,454</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

# CAPITAL PROJECTS FUND

| REQUIREMENTS                              | Historical Data    |                    |                     | 2024-2025                     |                            |                         |
|---|--------------------|--------------------|---------------------|-------------------------------|----------------------------|-------------------------|
|   | Actual             |                    |                     | Proposed By<br>Budget Officer | Approved By<br>Budget Com. | Adopted By<br>Gov. Body |
|   | FISCAL             | FISCAL             |                     |                               |                            |                         |
| ODOT FUND EXCHANGE                        | \$0                | \$0                | \$700,000           | \$0                           | \$0                        | \$0                     |
| ARPA FUNDS                                | \$0                | \$0                | \$801,000           | \$0                           | \$0                        | \$0                     |
| HB5006 GRANT                              | \$0                | \$0                | \$412,697           | \$0                           | \$0                        | \$0                     |
| PARK CAPITAL PROJECTS                     | \$478,930          | \$470,240          | \$128,700           | \$0                           | \$0                        | \$0                     |
| CHIEF YELKUS PARK IMPROVEMENTS            | \$0                | \$0                | \$500,000           | \$0                           | \$0                        | \$0                     |
| PARK IMP SDC CAPITAL PROJECTS             | \$0                | \$0                | \$350,000           | \$0                           | \$0                        | \$0                     |
| STREET IMP SDC CAPITAL PROJ               | \$0                | \$0                | \$405,000           | \$0                           | \$0                        | \$0                     |
| STREET REIMB SDC CAPITAL PROJ             | \$0                | \$0                | \$0                 | \$0                           | \$0                        | \$0                     |
| STREET CAPITAL PROJECTS                   | \$126,601          | \$99,040           | \$2,356,000         | \$0                           | \$0                        | \$0                     |
| SEWER CAPITAL PROJECTS                    | \$328,781          | \$721,262          | \$1,600,000         | \$0                           | \$0                        | \$0                     |
| SEWER FUND I&I CAPITAL PROJ               | \$0                | \$0                | \$1,070,000         | \$0                           | \$0                        | \$0                     |
| WWTP GRANT/LOAN CAPITAL PROJ              | \$0                | \$0                | \$3,400,000         | \$0                           | \$0                        | \$0                     |
| WATER CAPITAL PROJECTS                    | \$1,004,865        | \$623,957          | \$1,175,000         | \$0                           | \$0                        | \$0                     |
| WATER IMP SDC CAPITAL PROJ                | \$0                | \$0                | \$320,000           | \$0                           | \$0                        | \$0                     |
| STORM WATER CAPITAL PROJECTS              | \$15,393           | \$2,738            | \$4,000             | \$0                           | \$0                        | \$0                     |
| STORM IMP SDC CAPITAL PROJ                | \$0                | \$0                | \$150,000           | \$0                           | \$0                        | \$0                     |
| POLICE FACILITY CAPITAL PROJ              | \$4,970            | \$384,161          | \$911,057           | \$0                           | \$0                        | \$0                     |
| GENERAL FUND CAPITAL PROJ                 | \$0                | \$0                | \$70,000            | \$0                           | \$0                        | \$0                     |
| CDBG GRANT CAPITAL PROJ                   | \$0                | \$0                | \$100,000           | \$0                           | \$0                        | \$0                     |
| <b>TOTAL CAPITAL OUTLAY</b>               | <b>\$1,959,539</b> | <b>\$2,301,399</b> | <b>\$14,453,454</b> | <b>\$0</b>                    | <b>\$0</b>                 | <b>\$0</b>              |
| <b>RESERVED FOR FUTURE EXPENDITUR</b>     | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>          | <b>\$0</b>                    | <b>\$0</b>                 | <b>\$0</b>              |
| <b>TOTAL CAPITAL PROJECT FUND REQUIR.</b> | <b>\$1,959,539</b> | <b>\$2,301,399</b> | <b>\$14,453,454</b> | <b>\$0</b>                    | <b>\$0</b>                 | <b>\$0</b>              |
| <b>TOTAL FUND RESOURCES AND FUND BAL</b>  | <b>\$2,350,806</b> | <b>\$2,808,505</b> | <b>\$14,453,454</b> | <b>\$0</b>                    | <b>\$0</b>                 | <b>\$0</b>              |
| <b>TOTAL FUND REQUIREMENTS</b>            | <b>\$1,959,539</b> | <b>\$2,301,399</b> | <b>\$14,453,454</b> | <b>\$0</b>                    | <b>\$0</b>                 | <b>\$0</b>              |
| <b>TOTAL NET CAPITAL PROJECTS FUND</b>    | <b>\$391,267</b>   | <b>\$507,106</b>   | <b>\$0</b>          | <b>\$0</b>                    | <b>\$0</b>                 | <b>\$0</b>              |



