



ANNUAL BUDGET
FISCAL YEAR 2010-11

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City of Cottage Grove, Oregon

2010-2011 Annual Budget

BUDGET COMMITTEE MEMBERS

City Council

Gary Williams, Mayor

Thomas Munroe, Council President

Wayne Clark

Diane Conrad

Mike Fleck

Jeff Gowing

Heather Murphy

Citizen Members

Amy Callahan

Ivan Del Sol

Victoria Doyle

Lindsey Haskell

Michael LaBorde

Eric Johnson

Ralph Zeller

City Manager

Richard Meyers

Management Staff

Pete Barrell, Community Services Director

Michael Grover, Police Chief

Roberta McClintock, Finance Director

Howard Schesser, Community Development Director

Jan Wellman, Public Works Director

BUDGET COMMITTEE CHANGES

FROM PROPOSED TO APPROVED BUDGET

After the presentation of the Budget Message the Budget Committee made one change to the annual budget for Fiscal Year 2010-11 as follows:

In the General Fund, City Council Department, the Budget Committee increased Professional Association Dues by \$3,000 to include payment to the Lane Regional Air Protection Agency (LRAPA) in that amount. The General Fund, Non-departmental, Contingency, was decreased a corresponding \$3,000, for a total net difference of \$0.

		Proposed	Approved	Difference
General Fund				
City Council				
Materials and Services:				
Professional Assoc. Dues	\$	12,000	\$ 15,000	\$ 3,000
Non-Departmental				
Contingency	\$	277,519	\$ 274,519	\$ (3,000)
Total Fund		<u>\$ 6,746,909</u>	<u>\$ 6,746,909</u>	<u>\$ -</u>

The budget document reflects these changes in the approved column.

CITY COUNCIL CHANGES

FROM APPROVED TO ADOPTED BUDGET

The Fiscal Year 2010-11 Annual Budget approved by the Budget Committee was adopted by the City Council with the following changes:

In the General Fund, Library Department, Materials and Services were increased to allow for expenditures to provide programming focused on Native American culture, in the amount of \$2,000. The Library has been awarded a grant from the National Endowment for the Humanities and the American Library Association, Picturing America Program, for Native American Programs.

The Community Development Department in the General Fund was increased by \$300,000. It became apparent after the Budget Committee's approval that not all of the work under the Community Development Block Grant for South Lane Mental Health could be completed prior to the end of the fiscal year as originally anticipated.

In the Wastewater Fund, Wastewater Collections, a new line item was created for the payment of landfill fees not included in the original proposed budget. To offset the increase, the contingency line item was reduced for a net difference of \$0.

	Approved	Adopted	Difference
General Fund			
Library Department			
Materials and Services:			
Native American Programs	\$ -	\$ 2,000	\$ 2,000
Community Development Dept.			
Materials and Services:			
CDBG Mental Health	\$ -	\$ 300,000	\$ 300,000
Total General Fund	<u>\$ 6,746,909</u>	<u>\$ 7,048,909</u>	<u>\$ 302,000</u>
Wastewater Fund			
Wastewater Collection Department			
Materials and Services:			
Landfill Fees	\$ -	\$ 5,000	\$ 5,000
Non-Departmental			
Contingency	\$ 203,520	\$ 198,520	\$ (5,000)
Total Wastewater Fund	<u>\$ 1,848,770</u>	<u>\$ 1,848,770</u>	<u>\$ -</u>

The budget document reflects these changes in the adopted column.

ORGANIZATION OF THE BUDGET DOCUMENT

Local Governments have the option of budgeting on a 24-month biennial budget period, or by a fiscal year. The City of Cottage Grove operates on a fiscal year beginning July 1 and ending the following June 30. Priorities must be established based on the financial resources available to meet the needs of the community.

The budget document describes how the City plans to meet the priorities established and serves as a resource for citizens, city officials, and staff. The budget is divided into five major sections as described below:

General Information

This section contains an overview of the City, “City at a Glance” as well as the City’s budget process and calendar, and budget financial policies used to develop the Fiscal Year 2010-11 Budget. Budget amendment procedures are also discussed. Additionally, background information is provided such as economic information and demographics.

Budget Summaries

The City’s budget is organized on the basis of funds, and each is considered a separate accounting entity. This section includes a summary of resources and requirements of all city funds combined, and summaries of all individual funds.

Fund / Department Budgets

Fund and Department revenues and expenditures, as well as operational objectives, accomplishments, and performance measures are provided in this section. Historical financial information required by Oregon Budget Law for the two prior year’s actual, current year adopted, and next year’s proposed expenditures for each department is provided. This portion essentially provides actual adopted budget numbers. The City’s budget contains the following fund and fund types:

General Fund	Reserve Funds
Enterprise Funds	Debt Service Fund
Capital Projects	Trust Fund

Urban Renewal Agency

Revenue and expenditures related to the City’s urban renewal district is included in this section. The Urban Renewal Agency is a component unit of the City of Cottage Grove. It is a requirement to submit its own budget.

Appendix

The appendix contains a variety of other budget-related information to assist with understanding the budget document. It includes listings of the various board members, and a glossary of terms and acronyms used in the budget document.

City at a Glance

Cottage Grove, the “Covered Bridge Capital of Oregon”, is located in the middle of western Oregon and in the southern part of Lane County, on Interstate 5 (I-5). Cottage Grove is approximately 20 miles from the major population center of the area (Eugene-Springfield) and serves an immediate labor market of approximately 35,000 people. Cottage Grove was selected as an All-America City in 1968 and 2004, one of only two cities in the State to have received the award twice.

Cottage Grove has the council-manager form of government. There is a seven-member Council including the Mayor. The City provides twenty-four hour police coverage and operates the water and wastewater systems serving the City. The City also operates a public library which is open six days a week and provides planning and development, park maintenance, and operates an 18-hole golf course. The City completed an \$11 million upgrade to the wastewater treatment system, and a \$9 Million upgrade to the water treatment plant in 2009. These facility upgrades reflect the community’s commitment to protecting and improving the environment.

The July 1, 2009 population estimate from Portland State University for Cottage Grove was 9,485. Between 2000 and 2009, the population of Cottage Grove grew by 12.3% which is somewhat faster (3.30% faster) than the population increase in Oregon.

The average high temperature in July and August is 82 degrees with the average low on summer nights in the 50’s. The coldest month is January, with an average low of 32 degrees and highs in the 40’s.

General Information

Date of Incorporation	February 11, 1887
Area in Square Miles	3.91
Elevation in Feet	641’
Annual Precipitation	45.54”

Police

Stations	1
Patrol Units	9
Sworn Officers	16
Physical Arrests, Juvenile and Adult (non-traffic)	116
Traffic Violations	835

Streets

Miles of Paved Streets	44.88
Miles of Gravel Streets	1.5
Miles of Storm Sewers	30.85

Water

Miles of Water Mains	48.98
Hydrants	390
Service Connections	3822
Daily Average Consumption in Millions of Gallons	
July - September	2.3
December – February	1.2
Maximum Daily Capacity of Plant in Million Gallons	4.0

Wastewater

Miles of Sanitary Sewers	45.66
Treatment Plant	1
Service Connections	3629
Daily Average Treatment in Million Gallons	
May – October	1.0
Nov. – April	2.4
Maximum Daily Capacity in Million Gallons	13.0

Broadband

Miles of Fiber	5.94
Wi-Fi Radios Installed	90

Community Services

Community Centers	1
Parks	22
Park Acreage	243.58
Golf Courses	1
Skateboard Parks	1
Tennis Courts	1
Trails (miles)	10.3

Health Care

Hospitals	1
Hospital Beds	14

Education

Elementary Schools	2
Elementary School Instructors	48
Secondary Schools	3
Secondary School Instructors	96

Major Employers in the City of Cottage Grove

<u>Employer</u>	<u>Industry</u>	<u>Employment</u>
South Lane School District	Public Education	348
Cottage Grove Community Hospital	Health Care	200
Wal-Mart Associates, Inc.	Retail	144
Safeway Stores, Inc.	Retail/Grocery	140
City of Cottage Grove	Municipal Government	89
Coast Fork Nursing Center	Health Care	65
McDonald's (M-D Sanders)	Fast Food	63
Middlefield Oaks	Health Care	60
Brad's Chevrolet	Automotive	56
Starfire Lumber Co	Lumber	47

Ten Year Statistics

<u>Year</u>	<u>Assessed Value</u>	<u>Population</u>	<u>School Enrollment</u>
2000-01	\$319,684,080	8475	2726
2001-02	\$308,531,233	8670	2766
2002-03	\$360,319,572	8730	2768
2003-04	\$338,331,809	8910	2803
2004-05	\$349,406,767	9010	2827
2005-06	\$400,236,137	9110	2714
2006-07	\$426,789,165	9275	2724
2007-08	\$444,250,454	9345	2716
2008-09	\$483,168,933	9445	2835
2009-10	\$525,779,935	9485	2677

Petty Cash

Oregon Revised Statute 294.465 requires that each petty cash account and the amount thereof be listed in the budget document. The City of Cottage Grove has the following cash accounts:

Finance Tills	\$600
Finance Petty Cash	\$200
Library Till	\$ 40
Police Department Petty Cash	\$100
Public Works Petty Cash	\$200
Golf Course Tills	\$700



BUDGET PROCESS AND CALENDAR

The process followed in the preparation of this budget complies with the Local Budget Law established by the State of Oregon (ORS Chapter 294). This process also applies to the Urban Renewal Agency's budget. The process and calendar are as follows:

Phase I – Budget Request

In this phase the Department Heads submit their needs for staffing, materials, and supplies. They also provide the text portion for their operations. The finance department computes the wages and benefits for all departments, except public works.

<u>Calendar</u>	<u>Process</u>
February 2010 Appoint Budget Officer ORS 294.331	The City Charter establishes the City Manager as the Budget Officer. The City Manager establishes the priorities for FY 2010-11 as well as identifies issues to be addressed by this year's budget.

Phase II – Budget Proposal Phase

The proposal phase entails reviews by the City Manager and Finance Director with each Department manager. Financial requests are reviewed for changes and inconsistencies from prior years. Increases/decreases are explained. The City Manager decides which additions/deletions are approved and provides guidance on the narrative and financial portions of each fund. During this phase the capital projects are also reviewed and all funds are balanced. At the conclusion of this phase the proposed budget document is prepared for printing and compilation.

<u>Calendar</u>	<u>Process</u>
Mar.-April 2010 Proposed Budget ORS 294.331	The Finance Director and City Manager meet with each department manager to review budget requests and ask questions about changes, enhancements, budget variances, and performance measures.
May 2010 Notices of Budget Committee Meeting ORS 294.401	Required public notices are published in the local newspaper no more than 30 days before the first meeting. The City Manager's proposed budget is finalized and submitted to the Budget Committee Members for review and consideration prior to the first meeting. At least five days after the first public notice, but no less than five days before the first meeting, a second notice is published.

Phase III – Budget Approval Phase

During the Approval phase, the budget committee meets and is presented with the Budget Message from the City Manager. The Committee has the responsibility to evaluate the proposed budget and may make changes as they deem necessary. At the completion of their review, they are required to take formal action to approve the budget and refer it to the City Council for adoption.

<u>Calendar</u>	<u>Process</u>
May 2010 Budget Committee Meets ORS 294.401 ORS 294.406	Budget Committee meets to receive the FY 2010-11 Budget Message, to discuss funding issues, and to take public input. When the Committee is satisfied with the budget, including any deletions or additions, the proposed budget is approved.

Phase IV – Budget Adoption

The fourth and final phase of the process is adoption. The City Council may make additional changes if desired, within limitations set by statute, and then adopts a resolution to appropriate expenditures by fund, and set a tax levy.

<u>Calendar</u>	<u>Process</u>
June 2010 Publish Budget Summary & Notice of Budget Hearing ORS 294.421	After the Budget Committee has approved the proposed budget, a summary of the budget and a notice of the Budget Hearing to be held before the City Council is published in the local newspaper, five to thirty days before a public hearing for adoption.
Last Council Meeting In June 2010	A public hearing before the City Council is held to allow citizens to comment on the approved budget. After the hearing, the City Council may adopt the budget with no changes or they may make additions and reductions within certain limitations. A resolution is adopted making the appropriations and levying taxes.
July 15, 2010	The adopted budget for fiscal year 2010-11 becomes effective July 1, 2010. Certain reports, forms, and documentation are provided to the County Assessor's office by July 15.

BUDGET/FINANCIAL POLICIES

The development and eventual implementation of this budget are guided by the following policies:

OPERATING BUDGET POLICY

Personal Services –

Comply with existing union/association agreements, making sure the total compensation package is comparable to similar positions and communities.

Materials and Services –

Adopted increases for materials and services are targeted to remain level or increased only after substantiation and demonstration of need by the department manager.

Capital Outlay –

Capital outlay is reviewed on a case-by-case basis. Equipment requests are discussed with the City Manager.

Current Operating Revenues -

Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriated shall not exceed an amount that management can reasonably expect to save during the year.

Debt or Bond Financing-

Debt or Bond financing will not be used to finance current non-capital expenditures. Transfers to debt service for scheduled principal and interest payments, as well as estimates for new issues are estimated and included in the appropriate fund.

Performance Measures –

The City will continue to develop and integrate performance measures and productivity indicators with the annual budget.

Risk Management –

The City will continue to develop the risk management program to provide for protection against loss and a reduction in exposure to liability. The comprehensive safety program will also be enhanced to minimize the City's exposure to liability and thereby reduce the number of claims filed.

Balanced Budget –

The requirement of local budget law is such that the sum of each fund's resources equal its appropriations and unappropriated ending fund balance.

Accounting Standards –

It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.

REVENUE POLICY

Assessed Valuation –

Shall be estimated based on historical trends and growth patterns in a conservative manner.

Fees –

The City sets fees that will maximize user charges in lieu of Ad Valorem Taxes for services that can be individually identified and where the costs are directly related to the level of service:

- a. To the extent possible, user charges for water, sewer, and storm drainage will be sufficient to finance all operating, capital and debt service costs for said services.
- b. The Community Center will operate in a manner such that 10% of budgeted operating costs will be financed through user charges.
- c. Golf Course operations and maintenance will be funded from user charges for all programs for which it is practical to charge. Fees will represent at least 100% of the operating and debt service costs.
- d. Building and code enforcement activities will be funded through user charges in the form of building permits, inspections, and plan review fees. These fees should represent 100% of operating costs.
- e. To the extent practical, any general city service, which is of a higher level or benefits specific recipients, shall be supported by user fees designed to recover costs from such recipients.
- f. Where user fees are based on cost recovery, said costs shall be reviewed annually and fees adjusted as practicable.

DEBT POLICY

Capital Projects –

Financing for capital projects through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.

General Obligation Bonds –

The general obligation debt of the City will not exceed 3% of the real market value of all taxable property within City boundaries as provided in ORS 287.004.

Debt Service –

Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.

Bond Rating –

The City will maintain its financial condition so as to maintain a minimum AA bond rating.

Avoidance of Unfunded Liabilities –

The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.

RESERVE POLICY

Unappropriated Fund Balance –

The City will maintain an unappropriated fund balance of 8% of fund operating budgets (excluding capital outlay). These funds will be used to avoid cash-flow interruptions, generate investment interest income, eliminate need for short-term borrowing, and assist in maintaining an investment-grade bond rating.

Contingency –

The City will establish a contingency in each operating fund to provide for unanticipated expenditures of nonrecurring nature or to meet unexpected increases in service delivery costs. The contingency amount will be budgeted at 5% of the fund revenues estimated for that fiscal year. The contingency funds cannot be spent without an action by the City Council.

ACCOUNTING POLICY

Accounting System –

The City will establish and maintain the accounting system in accordance with Local Budget Law and Generally Accepted Accounting Principles. Financial systems will be maintained to monitor expenditures and revenues on a monthly basis.

Audit –

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

The City's Comprehensive Annual Financial Report (CAFR) will be prepared according to the standards necessary to obtain the Certificate of Achievement of Excellence in Financial Reporting from GFOA and submitted each year for recognition.

BUDGET AMENDMENT PROCESS

Procedures to be followed to amend the budget as events occur after budget adoption is set forth in Oregon Local Budget Law. The type of event determines the procedure to be followed.

The adopted budget appropriates certain amounts for contingencies in each fund to be used at the discretion of the governing body. Contingencies in each fund can only be appropriated for specific unforeseen events by approval of a resolution by the City Council. Specific appropriations of contingencies may include funding for service level changes, unforeseen catastrophic events, or redirection of resources.

State law allows the adoption of a supplemental budget. When the supplemental budget will adjust a current fund's budget by ten percent or less of that fund's expenditures, the supplemental budget can be acted on by the City Council at a regularly scheduled meeting. If the supplemental budget includes any changes greater than ten percent in any fund, a public hearing must be held to adopt the supplemental budget.

FUND SUMMARIES

The City's financial operations are budgeted and accounted for in the funds listed on the following pages. The funds are grouped by major types, as set forth by the Governmental Accounting Standards Board (GASB).

FUND DESCRIPTIONS

GENERAL FUND

The General Fund accounts for resources devoted to support the services associated with local government. Departments within the General Fund are City Manager, City Attorney, Community Development, City Council, Community Center, Municipal Court, Municipal Court Support Services, Police Operations, Youth Peer Court, Parks, Building Maintenance, Community Promotions, Engineering, Finance, Library, Broadband Services, and Non-Departmental. Also any other activity for which a special fund has not been created.

SPECIAL REVENUE FUNDS

These funds account for the proceeds of specific revenues sources that are legally restricted to expenditure for specified purposes. They include the Street Fund, Assessment Fund, Police Communications Fund, Bicycle and Foot Path Fund, Building Inspection Program Fund, Small Business Loan Fund, Housing Rehabilitation Fund, and the Narcotics Forfeiture Fund.

ENTERPRISE FUNDS

Enterprise funds account for goods and services provided on a continuing basis to the general public and are structured to be self-supporting. Enterprise funds are operated in a manner similar to private business enterprises. The costs of providing goods and services on a continuing basis are financed or recovered primarily through user charges. The City's Enterprise Funds are :

Water Fund – Dedicated to the production and distribution of high quality water.

Wastewater Fund – Dedicated to operations and maintenance of the wastewater collection and treatment system..

Storm Drain Utility Fund – Dedicated to the collection and conveyance of storm water to the various river outfalls.

Industrial Park Operations Fund – Dedicated to the continued maintenance of city-owned properties that are for sale, as well as maintenance of the city-owned property within the Industrial Park.

CAPITAL PROJECTS FUNDS

Capital Project Funds account for and budget the receipt of fees derived from charges the City imposed on new development. Funds can only be used on specific projects as designated by ordinance. Capital Project Funds include the Water System Development Charges (SDC), Street SDC, Wastewater SDC, Storm Drain SDC and Parks SDC.

TRUST OR FIDUCIARY FUND

Revenues donated to the City to be used for specified purposes are accounted for in this fund. The stipulations upon the donation may require that only the interest income be used. Oregon Law establishes specific rules for handling private donations to the City for specific purposes.

DEBT SERVICE

The City has established the Debt Service Fund to account for the accumulation of resources for the payment of principal and interest associated with long-term debt.

RESERVE FUNDS

A reserve fund is a type of special revenue fund established to accumulate resources from one fiscal year to another for the cost of any service, project, property or equipment that can be legally spent. Under Local Budget Law a Reserve Fund is the appropriate way to save money from year to year. Reserve funds are created by Ordinance for specific purposes. The City of Cottage Grove has the following Reserve Funds: General Reserve Fund, Water Reserve Fund, Wastewater Reserve Fund and Storm Drain Reserve Fund.

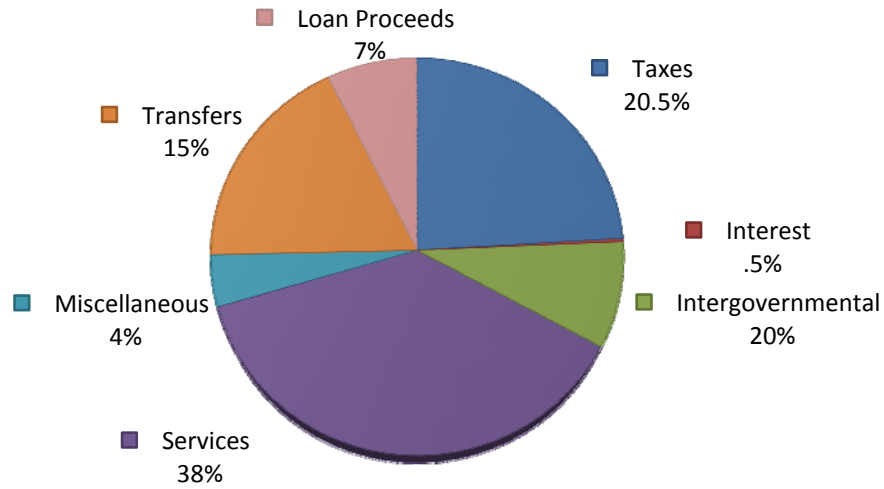
SUMMARY OF RESOURCES AND REQUIREMENTS

The City of Cottage Grove endeavors to provide services essential to the community and that enhance the quality of life. The table below summarizes the major resources and expenditures for all City funds exclusive of urban renewal. This financial data is intended to provide a broad overview of the City's budget. Two-year comparisons of budgeted resources and requirements are presented.

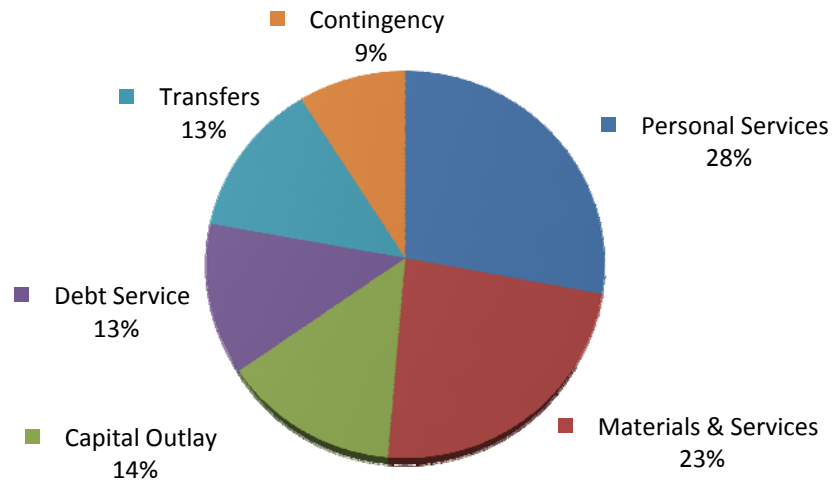
BUDGET SUMMARY - ALL FUNDS COMBINED

	Actual 2007-08	Actual 2008-09	Adopted 2009-10	Proposed 2010-11	Approved 2010-11	Adopted 2010-11
RESOURCES:						
Taxes	3,742,169	3,908,832	3,772,325	3,878,280	3,878,280	3,878,280
Interest	420,163	169,520	88,210	40,853	40,853	40,853
Intergovernmental	7,062,934	911,067	3,599,381	1,394,041	1,394,041	1,694,041
Services	5,223,134	5,386,887	5,847,279	6,041,525	6,041,525	6,041,525
Miscellaneous	903,359	1,440,802	782,145	678,558	678,558	680,558
Transfers	3,121,216	1,883,445	3,088,157	2,915,445	2,915,445	2,915,445
Assessments	-					
Loan proceeds	2,167,075	1,867,577	1,177,250	1,176,690	1,176,690	1,176,690
Beginning fund balance	7,968,485	8,716,566	6,884,461	6,219,825	6,219,825	6,219,825
Total Resources	<u>30,608,535</u>	<u>24,284,696</u>	<u>25,239,208</u>	<u>22,345,217</u>	<u>22,345,217</u>	<u>22,647,217</u>
REQUIREMENTS:						
Personal services	5,769,420	5,770,031	6,009,740	6,062,795	6,062,795	6,062,795
Materials and services	4,409,120	4,125,441	5,786,356	5,070,474	5,073,474	5,380,474
Capital outlay	7,964,065	3,722,886	5,088,465	3,018,955	3,018,955	3,018,955
Debt service	1,568,885	1,814,837	3,305,704	2,727,800	2,727,800	2,727,800
Interfund transfers	3,088,760	1,883,445	3,080,005	2,847,553	2,847,553	2,847,553
Contingencies			1,411,358	1,954,154	1,951,154	1,946,154
Total Requirements	<u>22,800,250</u>	<u>17,316,640</u>	<u>24,681,628</u>	<u>21,681,731</u>	<u>21,681,731</u>	<u>21,983,731</u>
Ending Balance	7,808,285	6,968,056	557,580	663,486	663,486	663,486
Requirements + End. Bal	<u>30,608,535</u>	<u>24,284,696</u>	<u>25,239,208</u>	<u>22,345,217</u>	<u>22,345,217</u>	<u>22,647,217</u>

All Funds - Budgeted Sources of Revenue (2010-11)



All Funds - Budgeted Categories of Expenses (2010-11)



SUMMARY OF INDIVIDUAL FUNDS - ADOPTED FOR FISCAL YEAR 2010-11

	General	Street	Assessment
RESOURCES			
Property taxes	\$ 3,473,000		
Other taxes	\$ 95,000	\$ 310,280	
Licenses, franchise fees & permits	\$ 404,850		
Fines & Forfeitures	\$ 109,700		
Other governments	\$ 849,779	\$ 405,035	
Charges for services	\$ 402,680		
System development fees			
Interest earnings	\$ 17,000	\$ 1,000	\$ 750
Miscellaneous	\$ 96,463	\$ 1,000	
Loan Proceeds			\$ 926,690
Revenue Subtotal	\$ 5,448,472	\$ 717,315	\$ 927,440
Interfund transfers			
Beginning fund balance	\$ 1,300,437	\$ 274,755	\$ 149,280
Total Resources	\$ 6,748,909	\$ 992,070	\$ 1,076,720

REQUIREMENTS

Personal Services	\$ 3,336,015	\$ 283,445	
Materials & Services	\$ 1,516,715	\$ 440,720	\$ 148,515
Capital Outlay	\$ 244,700	\$ 69,900	\$ 928,205
Debt service	\$ 330,275		
Requirements Subtotal	\$ 5,427,705	\$ 794,065	\$ 1,076,720
Interfund Transfers	\$ 623,415	\$ 102,890	
Contingencies	\$ 274,519	\$ 95,115	
Unappropriated	\$ 423,270		
Total Requirements	\$ 6,748,909	\$ 992,070	\$ 1,076,720

Police Communication	Bicycle & Footpath	Building Inspection	Small Business Loan	Housing Rehabilitaiton	Narcotics Forfeiture	Industrial Park
		\$ 285,200				
\$ 134,632	\$ 4,095					
\$ -						
\$ 200	\$ 20	\$ 400	\$ 50	\$ 2,500	\$ 960	\$ 3,593
			\$ 250,000			
\$ 134,832	\$ 4,115	\$ 285,600	\$ 250,050	\$ 2,500	\$ 960	\$ 3,593
\$ 388,495	\$ 19,300					
\$ 90,000	\$ 13,335	\$ 55,740	\$ 9,510	\$ 441,635	\$ 192,090	\$ 718,643
\$ 613,327	\$ 36,750	\$ 341,340	\$ 259,560	\$ 444,135	\$ 193,050	\$ 722,236
\$ 516,660		\$ 55,395			\$ 15,955	
\$ 79,904	\$ 8,495	\$ 264,530	\$ 259,560	\$ 444,135	\$ 48,355	\$ 51,700
\$ 5,500	\$ 8,000				\$ 37,500	
\$ 9,263	\$ 19,300					\$ 168,500
\$ 611,327	\$ 35,795	\$ 319,925	\$ 259,560	\$ 444,135	\$ 101,810	\$ 220,200
		\$ 1,150			\$ 1,225	\$ -
\$ 2,000	\$ 955	\$ 20,265			\$ 90,015	\$ 461,240
						\$ 40,796
\$ 613,327	\$ 36,750	\$ 341,340	\$ 259,560	\$ 444,135	\$ 193,050	\$ 722,236

SUMMARY OF INDIVIDUAL FUNDS - ADOPTED FOR FISCAL YEAR 2010-11

		Water	Wastewater	Storm
RESOURCES	Property taxes			
	Other taxes			
	Licenses, franchise			
	fees & permits			
	Other governments	\$	-	
	Fines & Forfeitures			
	Charges for services	\$ 1,397,055	\$ 1,166,210	\$ 194,560
	System development fees			
	Interest earnings	\$ 1,500	\$ 750	\$ 350
	Miscellaneous	\$ 16,500	\$ 551,100	\$ 400
	Loan Proceeds			
	Revenue Subtotal	\$ 1,415,055	\$ 1,718,060	\$ 195,310
	Interfund transfers			
	Beginning fund balance	\$ 263,240	\$ 130,710	\$ 80,600
	Total Resources	\$ 1,678,295	\$ 1,848,770	\$ 275,910
REQUIREMENTS				
	Personal Services	\$ 821,125	\$ 839,345	\$ 194,855
	Materials & Services	\$ 606,445	\$ 644,570	\$ 42,850
	Capital Outlay			
	Debt service			
	Requirements Subtotal	\$ 1,427,570	\$ 1,483,915	\$ 237,705
	Interfund Transfers	\$ 63,000	\$ 161,335	\$ 2,135
	Contingencies	\$ 187,725	\$ 203,520	\$ 36,070
	Unappropriated			
	Total Requirements	\$ 1,678,295	\$ 1,848,770	\$ 275,910

Water System Development	Wastewater System Development	Storm System Development	Parks System Development	Street System Development	General Reserve	Water Reserve
						\$ 1,054,655
\$ 8,600	\$ 26,000	\$ 16,000	\$ 5,500	\$ 18,510		
\$ 100	\$ 1,500	\$ 1,500	\$ 500	\$ 2,000	\$ 115	\$ 5,000
		\$ 67,925				
\$ 8,700	\$ 27,500	\$ 85,425	\$ 6,000	\$ 20,510	\$ 115	\$ 1,059,655
		\$ -			\$ 130,000	\$ 50,000
\$ 18,345	\$ 225,675	\$ 440,370	\$ 80,510	\$ 463,850	\$ 26,805	\$ 375,690
\$ 27,045	\$ 253,175	\$ 525,795	\$ 86,510	\$ 484,360	\$ 156,920	\$ 1,485,345
\$ 9,185	\$ 16,855	\$ 53,495	\$ 1,265	\$ 183,210	\$ 4,500	\$ 166,875
\$ 17,860	\$ 236,320	\$ 472,300	\$ 85,245	\$ 301,150	\$ 125,500	\$ 141,250
\$ 27,045	\$ 253,175	\$ 525,795	\$ 86,510	\$ 484,360	\$ 130,000	\$ 308,125
					\$ 26,920	\$ 1,054,250
					\$ -	\$ 122,970
\$ 27,045	\$ 253,175	\$ 525,795	\$ 86,510	\$ 484,360	\$ 156,920	\$ 1,485,345

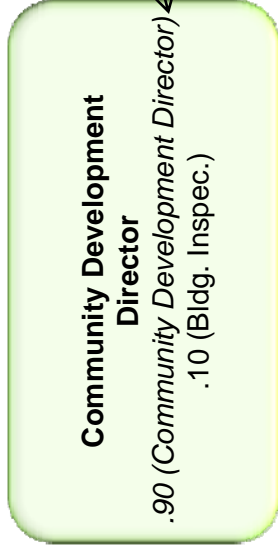
SUMMARY OF INDIVIDUAL FUNDS - ADOPTED FOR FISCAL YEAR 2010-11

	Wastewater Reserve	Storm Drain Reserve	Debt Service	Special Trusts
RESOURCES				
Property taxes				
Other taxes				
Licenses, franchise fees & permits				
Other governments				
Fines & Forfeitures				
Charges for services	\$ 801,135	\$ 161,865		
System development fees				
Interest earnings	\$ 50	\$ 3,500	\$ 15	
Miscellaneous	\$ 100			\$ 2,000
Loan Proceeds	\$ -	\$ -		
Revenue Subtotal	\$ 801,285	\$ 165,365	\$ 15	\$ 2,000
Interfund transfers	\$ 50,000		\$ 2,209,725	
Beginning fund balance	\$ 172,480	\$ 684,930	\$ 3,575	\$ 7,620
Total Resources	\$ 1,023,765	\$ 850,295	\$ 2,213,315	\$ 9,620

REQUIREMENTS

Personal Services				
Materials & Services	\$ 18,500	\$ 64,100		\$ 995
Capital Outlay	\$ -	\$ 339,900		\$ 5,625
Debt service			\$ 2,209,725	
Requirements Subtotal	\$ 18,500	\$ 404,000	\$ 2,209,725	\$ 6,620
Interfund Transfers	\$ 738,300	\$ 63,670		
Contingencies	\$ 70,545	\$ 382,625	\$ 3,590	\$ 3,000
Unappropriated	\$ 196,420			
Total Requirements	\$ 1,023,765	\$ 850,295	\$ 2,213,315	\$ 9,620

Organizational Chart Legend

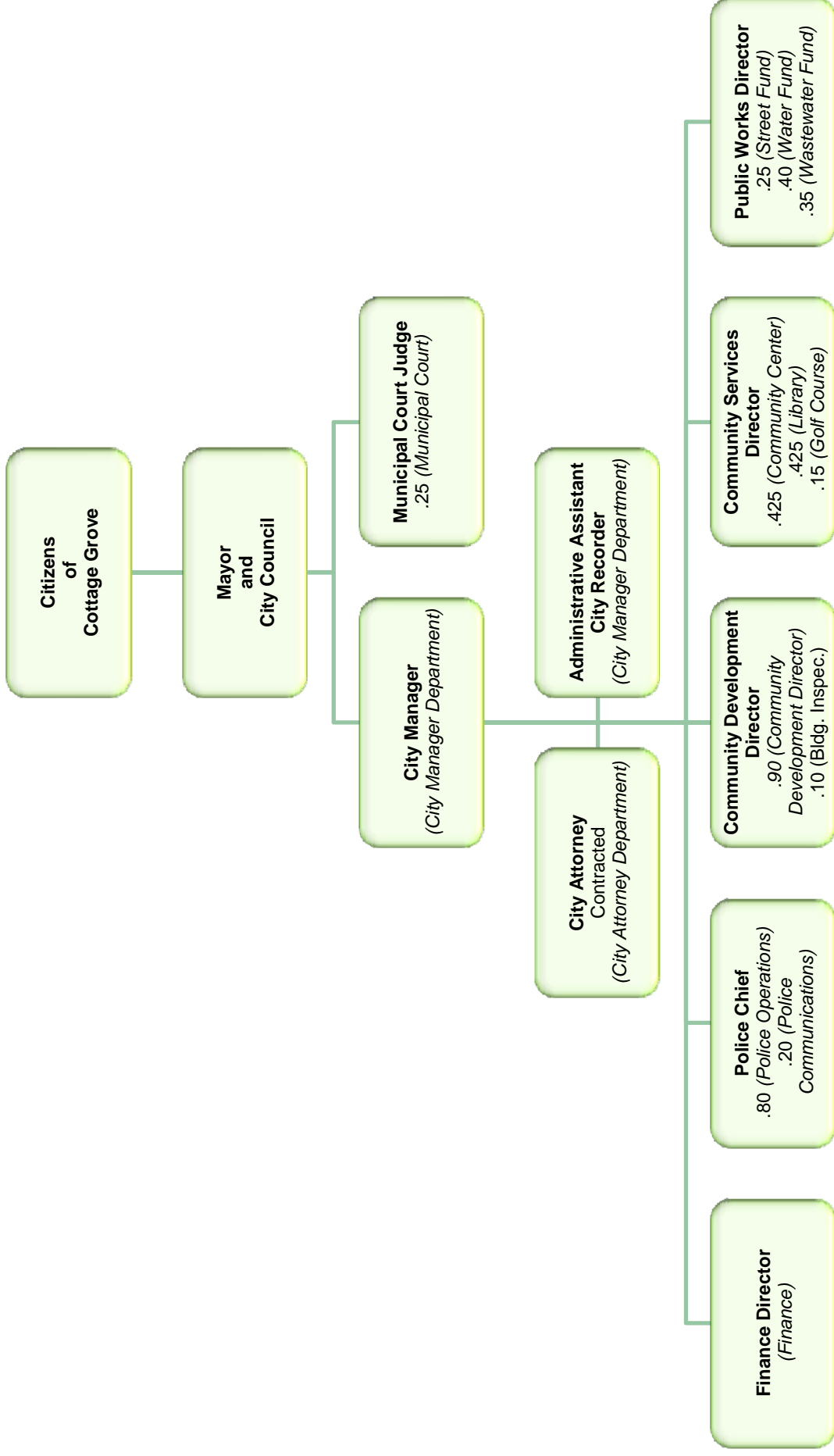


Abbreviation Legend

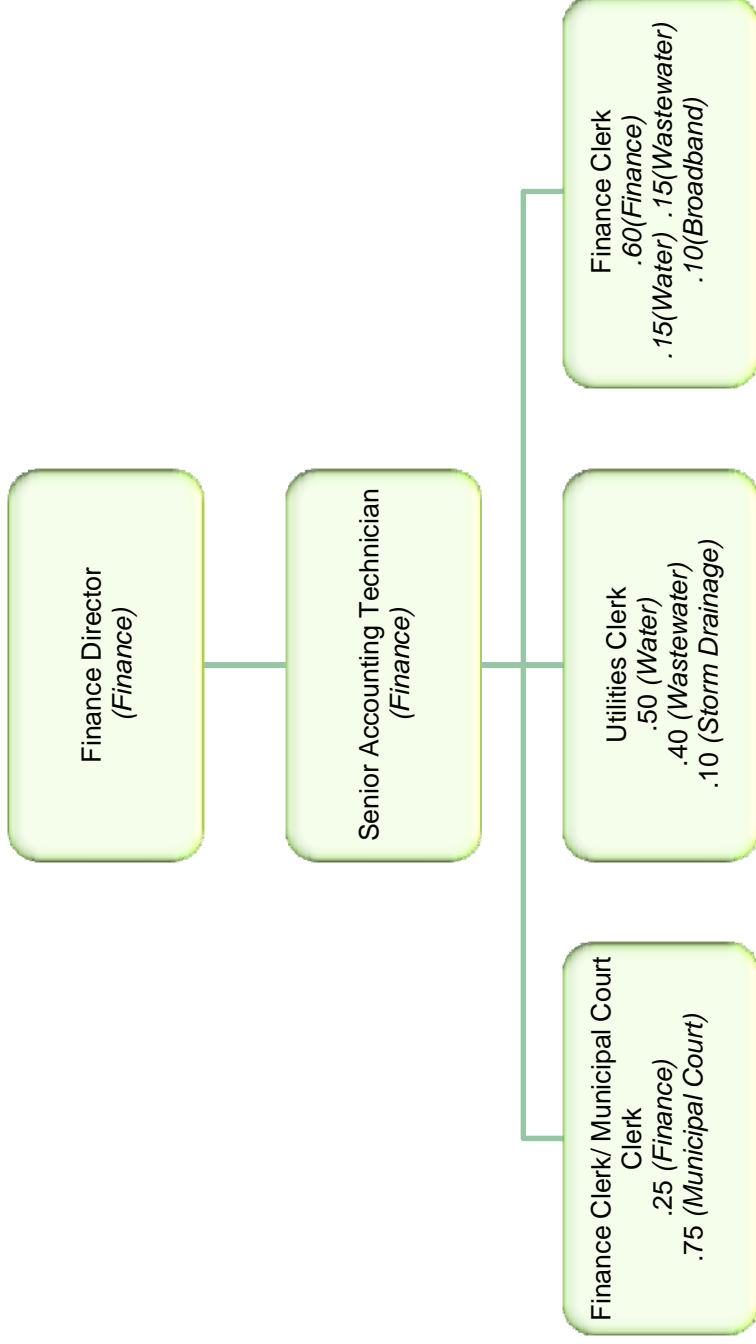
Asst. - Assistant	MW I,II,III – Maintenance Worker 1,2 or 3
Bldg. Inspec. – Building Inspection Program Fund	Supr. – Supervisor
Bldg Maint. – Building Maintenance	Supt. – Superintendent
Dir. - Director	Tech. - Technician
Engrng. – Engineering	WTP – Water Treatment Plant
Equip. – Equipment	WTR – Water
FTE – Full-Time Equivalent	WW – Wastewater
Groundskpr. – Groundskeeper	WWTP – Wastewater Treatment Plant

City of Cottage Grove, Oregon

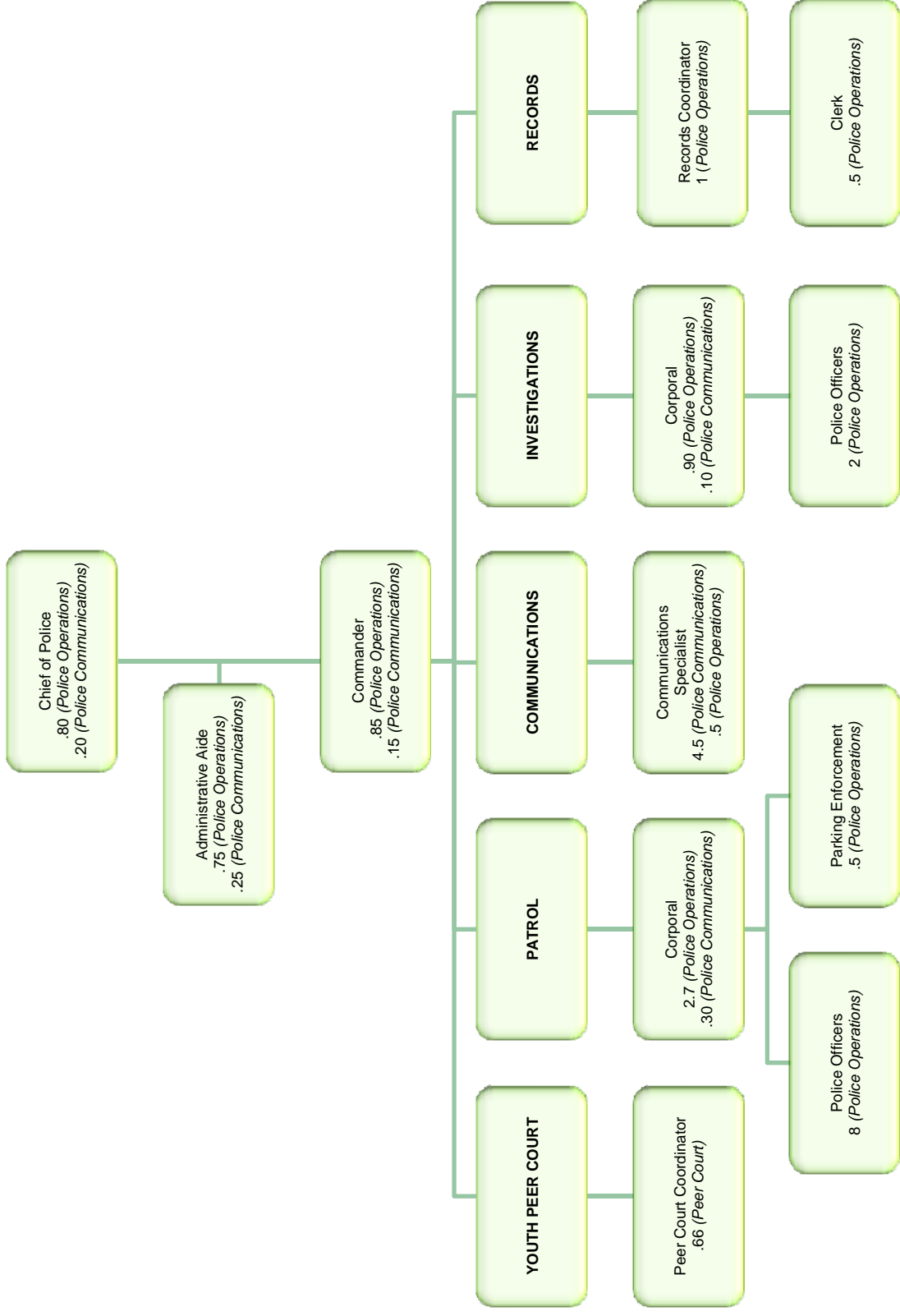
Organizational Chart



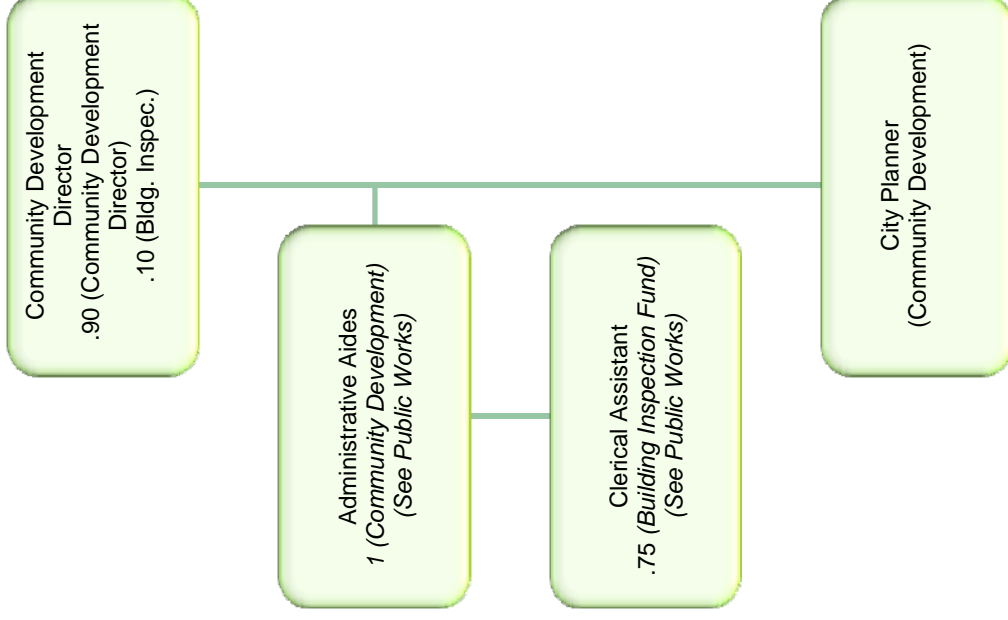
Finance Department



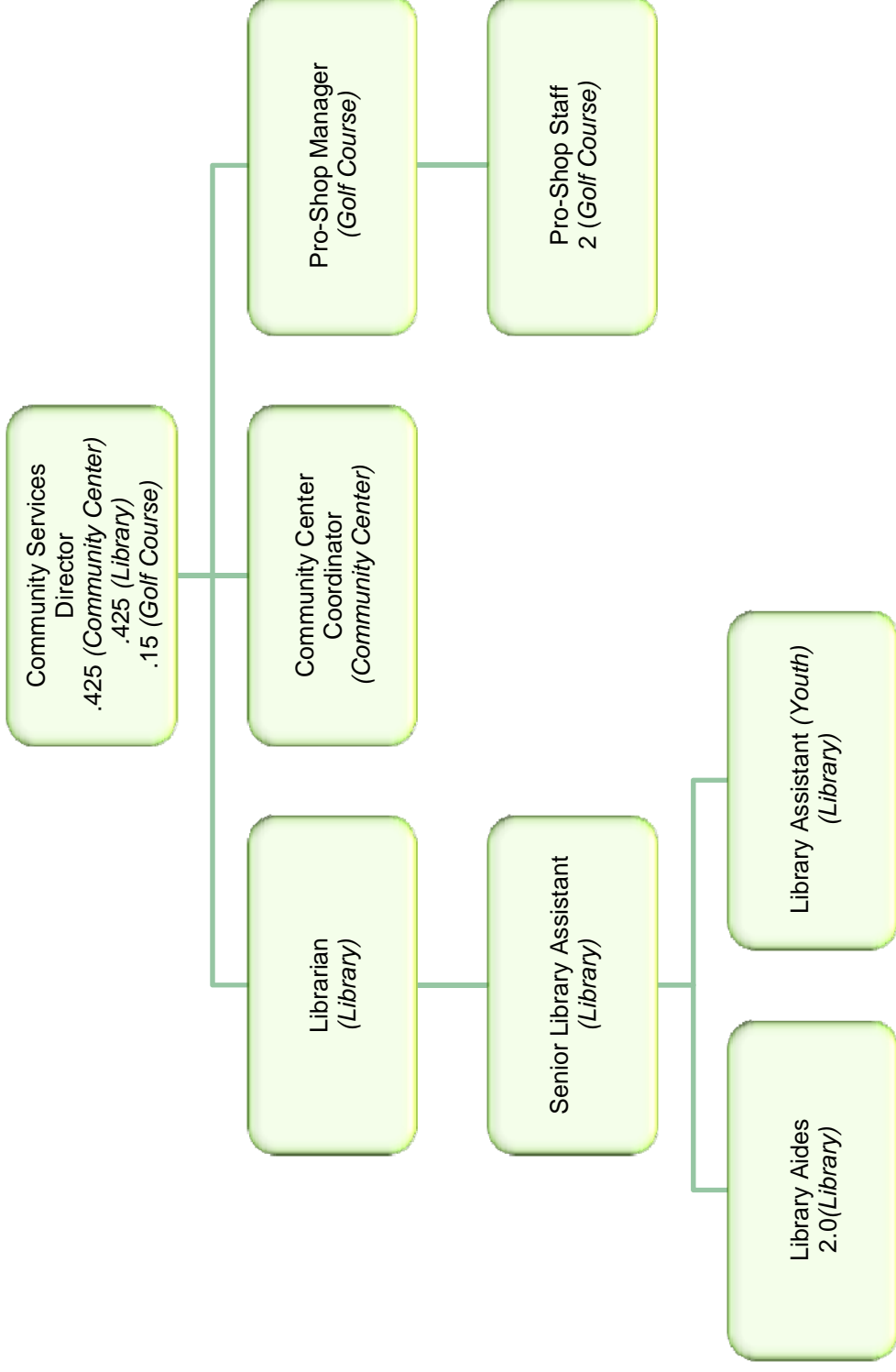
Police Department



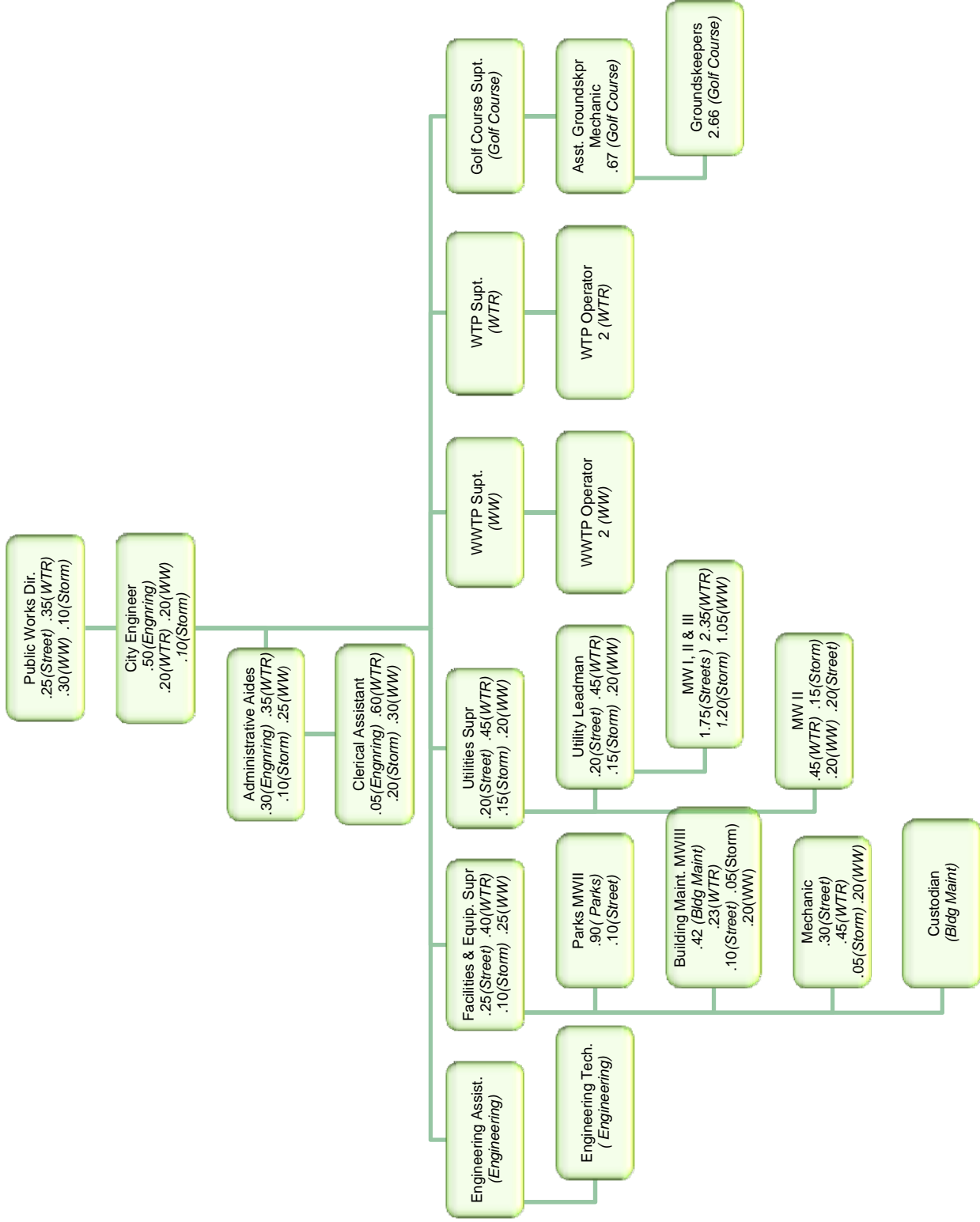
Community Development



Community Services Department



Public Works Department





FUND DETAILS

REVENUE OVERVIEW

General Fund –

The principal sources of revenue in the General Fund are property taxes, franchise fees, state shared revenues, and charges for administrative services from other funds.

Special Revenue Funds –

Special revenue funds account for specific purpose revenues received primarily from intergovernmental sources, charges for service, or taxes such as the State and Local motor vehicle fuel tax, inspection fees, building permit fees, and 9-1-1 tax.

Street Fund	Assessment Fund
Police Communications Fund	Bicycle & Footpath Fund
Building Inspection Program Fund	Small Business Loan Fund
Housing Rehabilitation Fund	Narcotics Forfeiture Fund

Enterprise Funds –

These funds account for goods and services provided on a continuing basis to the general public. User fees are charged for the services. An enterprise fund is managed similarly to private business and is structured to be self-supporting. Water, wastewater, and storm drainage fees, and rent or sale of property, generate revenue in these funds.

Water Fund	Wastewater Fund
Storm Drain Utility Fund	Industrial Park Operations Fund

Capital Projects Funds –

Capital Project Funds account for the receipt of fees derived from charges the City imposes on new development through system development fees (SDC).

Water SDC Fund	Street SDC Fund
Wastewater SDC Fund	Storm Drain SDC
Parks SDC Funds	

Reserve Funds –

A type of special revenue fund, a Reserve Fund is established to accumulate money for the cost of any service, project, property or equipment. Reserve fund revenue is transferred from other funds or through special fees (surcharges).

General Reserve Fund	Water Reserve Fund
Wastewater Reserve Fund	Storm Drain Reserve Fund

Trust and Agency Fund –

Revenues donated to be used for specified purposes are accounted for in this fund. The stipulations upon the donation may require that only the interest income be used.

Donations, memorials, or gifts from citizens or organizations make up the revenue source for this fund.



GENERAL FUND REVENUES

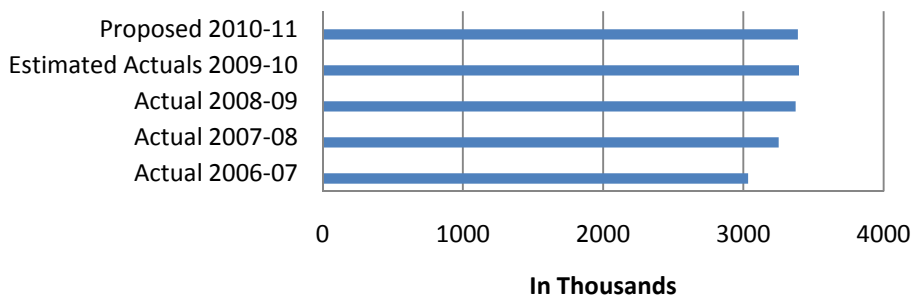
GENERAL FUND

The General Fund is used to account for all revenues and expenditures of a general nature not required to be recorded in another fund. The primary revenues are described below.

Property taxes comprise 51.5 % of the total revenues. The taxes are generated from a \$7.2087 tax rate per \$1,000 of assessed values. The county assessor determines the assessed value of the property, bills and collects the taxes and remits collections to the City. The proposed 2010-11 budget is based upon 2% growth in assessed value.

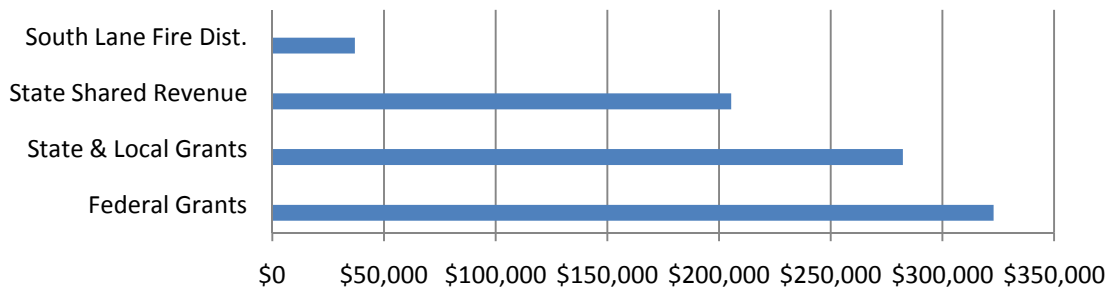
Taxes for 2010-11 will be billed late October 2010, and can be paid in thirds on November 15, February 15 and May 15. Discounts are offered to payment made in full in November and February. For more information about property taxes the Property Tax Summary. Budgeted taxes are less than levied amounts due to estimated uncollectable, delinquencies and discounts.

Property Taxes



Intergovernmental revenues come from State shared revenues which include alcoholic beverage tax, cigarette tax, state shared revenues; federal/state grants, and South Lane Fire and Rescue District for PERS UAL debt reimbursement. These sources total \$847,779, or 12.56% of the fund's total. The revenues are allocated by various formulas.

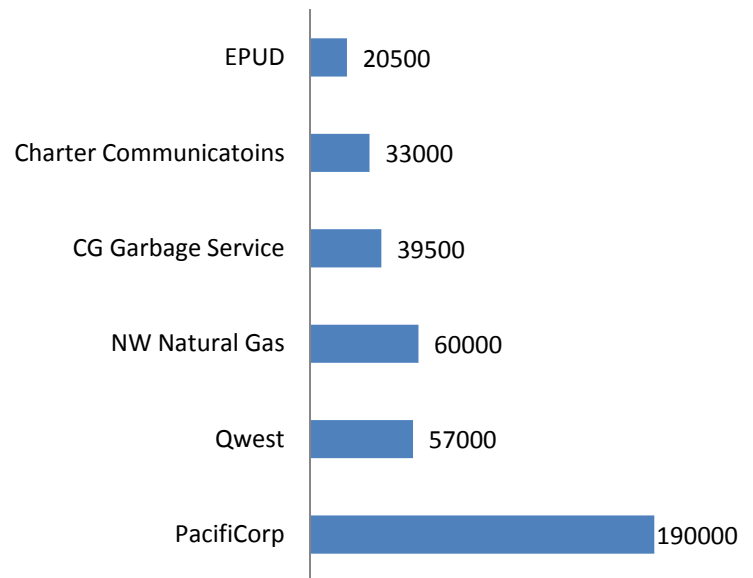
Intergovernmental Revenue



Franchise fees are the third largest revenue source and comprise 5.9% of the total revenues. These fees are charged to various utilities for use of public right-of-way. The proposed 2010-11 budget is based upon trend analysis. The fees are based upon a percentage of net sales within city limits. The current percentages by utility category are:

Estimated Franchise Revenue 2010-11

Emerald People's Utility District – 5.12%
Charter Communications – 8.25%
Cottage Grove Garbage Service – 9.88%
Natural Gas Northwest Natural Gas 15.0%
Qwest – 14.25%
Pacific Power – 47.50%



The General Fund also receives Administrative Fees from a number of Enterprise Funds, Reserve Funds, Capital Project Funds, and the Urban Renewal District. The fees are allocated based on the amount of expenditures incurred in those funds the preceding year.

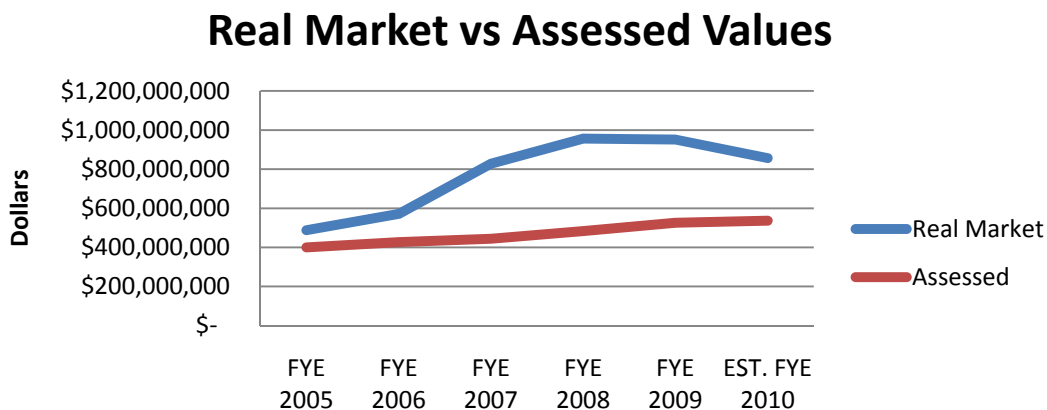
Certain departments provide services for which fees can be charged or fines can be assessed.

PROPERTY TAX SUMMARY

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments. The limitation specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value, while schools are similarly limited to a \$5.00 maximum rate.

In May 1997, voters approved Measure 50 which separated real market value from assessed value and rolled back assessed values to 90% of 1995-96 and limited future increases of taxable assessed values to 3% per year, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either a general election in an even numbered year, or at any other election in which at least 50% of registered voters cast a ballot.

Cottage Grove's permanent tax rate is \$7.2087 per \$1,000 of assessed valuation. Taxes from the permanent rate are recorded in the General Fund. No local initiative is outstanding.



The real market value at fiscal year-end 2009 was \$951,337,243; the assessed value was \$525,779,935; a difference of 55.27%. The estimated real market value at fiscal year-end 2010 is estimated to be 10% lower than the previous year, a decrease of \$95,133,724.



**CITY OF COTTAGE GROVE
PERSONAL SERVICES SUMMARY
GENERAL/PUBLIC SAFETY
FY2010-11**

POSITION DESCRIPTION	SALARY	CITY MANAGER	MUNI. COURT	FINANCE	POLICE OPS	YOUTH PEER COURT	POLICE COMM.	LIBRARY	COMM. CENTER	TOTALS
CITY MANAGER	105,205	105,205								105,205
ADMINISTRATIVE ASSISTANT	44,640	44,640								44,640
COMMUNITY COORDINATOR	41,750								41,750	41,750
FINANCE DIRECTOR	80,715			80,715						80,715
SENIOR ACCOUNTING TECH.	48,170			48,170						48,170
FINANCE CLERK	19,950			19,950						19,950
COURT/FINANCE CLERK	41,025		30,765	10,260						41,025
MUNICIPAL JUDGE -.25 FTE	24,135		24,135							24,135
POLICE CHIEF	84,650				67,700		16,950			84,650
ADMINISTRATIVE AIDE (POLICE)	42,635				31,900		10,735			42,635
POLICE COMMANDER	73,415				62,340		11,075			73,415
POLICE CORPORALS-4 FTE	230,475				207,100		23,375			230,475
POLICE OFFICERS-10 FTE	526,500				526,500					526,500
PARKING OFFICER-.5 FTE	10,405				10,405					10,405
RECORDS COORDINATOR	40,210				40,210					40,210
CLERK-.8 FTE	18,305				18,305					18,305
COMMUNICATIONS SPEC.- 5 FTE	207,560						207,560			207,560
TEMPORARY WORKER .13 FTE	5,370						5,370			5,370
PEER COURT COORD -.66 FTE	17,500					17,500				17,500
COMMUNITY SERVICES DIRECTOR -.85 FTE	54,610							28,650	25,960	54,610
LIBRARIAN	50,435							50,435		50,435
SENIOR LIBRARY ASSISTANT	38,470							38,470		38,470
LIBRARY ASSISTANT	33,150							33,150		33,150
LIBRARY AIDES - 2.0 FTE	28,450							28,450		28,450
TOTAL	1,867,730	149,845	54,900	159,095	964,460	17,500	275,065	179,155	67,710	
TOTAL FTE	37.36	2.00	1.00	2.85	18.30	0.66	6.70	4.425	1.425	

* FTE = Full Time Equivalents

FY2010-11

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