



***ADOPTED***  
***ANNUAL BUDGET***  
***FISCAL YEAR 2021-22***



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# **City of Cottage Grove, Oregon**

## **2021-22 Annual Budget**

### **BUDGET COMMITTEE MEMBERS**

#### **City Council**

Jeff Gowing, Mayor

Mike Fleck, Council President

Candice Solesbee

Kenneth Roberts

Greg Ervin

Jon Stinnett

Chalice Savage

#### **Citizen Members**

Armando Garza Sr.

Michael Grover

Donn Rust

Amanda Gilbert

Gary Williams

Gary Manly

Dana Merryday

#### **City Manager**

Richard Meyers

#### **Management Staff**

Faye Stewart, Public Works & Development Director

Scott Shepherd, Police Chief

Roberta Likens, Finance Director







## City Manager's Office

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April 29, 2021

Dear Mayor, City Council and Budget Committee:

Attached is the 2021-22 Proposed Budget for your consideration.

As always, the purpose of this budget message is to introduce the Proposed Budget, provide some background information and supply a brief overview of the document and how it will help accomplish City goals in the coming year. I welcome a much more detailed discussion as the Budget Committee reviews the document.

The 2021-22 Proposed Budget continues the challenges of last year's budget preparation with the continuation of the pandemic much longer than anticipated but with the hope for recovery and the end of this crisis. There are still many unknowns. We don't know when the pandemic and its accompanying restrictions and limitations will end; we are not sure what the long term impact of the pandemic will be and we don't truly know all the details of all the federal aid packages that are being discussed.

Although the 2020-21 Budget was loaded with uncertainty, and essentially felt like budgeting blindfolded, the conservative approach we used was very effective in maintaining our services and speeding some recovery. The approach also allowed us to tackle a number of issues and take advantage of federal assistance to address and meet those challenges, rather than use the federal funds to fund the day to day operation of the City. We were able to open the Warming Shelters to replace Beds for Freezing Nights which could not operate because of the pandemic, we were able to disinfect playgrounds, buildings and equipment, we installed air purification equipment that was not only important for the pandemic but will be invaluable in the future, installed and enhanced our digital meeting capability and purchased a shower/restroom trailer to aid in addressing the needs of the unsheltered but also provide an asset for emergency response.

All this we did while still providing our vital public safety and health services.

We have been able to restart limited Library services and found new ways to provide those services. Our very popular Library in the Park will probably continue and become a regular feature even after we fully recover and open. Throughout the pandemic we continually saw needs in the community change and we did our best to adapt and respond. We continued to provide

notary services (at no charge) when all other providers stopped providing the service. We adjusted our Small Business Emergency Loan program to leverage State grant funds and then to provide utility assistance to businesses and residents. We partnered with the Chamber to promote local businesses and the messages from Jingle the Elf. We have even partnered with a local pharmacist to create simple, local Friday vaccination clinics (every Friday, 10:00 am to noon in Bohemia Park – call Teresa or Jessica to schedule). There is a lot more - from graduate banners to information cards - that could be mentioned, but we don't have room to list everything that the community accomplished during the last year. This is just another example of why living in Cottage Grove is so great.

It is not over yet. As we are preparing this budget we are expecting to fall back under mandated restrictions as we move to higher risk levels. We don't know when everything will be over and what the "new normal" will truly look like. Because of this continued uncertainty, we have again prepared a flexible budget that will allow some ability to adapt. I believe we have prepared a budget that can work whether things get better quickly or if they drag out for the greater portion of the year. We remain set on these basic guiding principles for the creation of this budget:

- Protect our ability to provide the essential services – police, water, sewer, street operations and the support functions that make sure those services can be provided.
- Participate in jumpstarting our local economy by assisting our local businesses in restarting, having projects that will bring jobs and activity to the community and supporting projects funded with grants and loans.
- Be conservative in our guestimates - not too drastic – not too optimistic. Leave some room for potential adjustments during the year.

The 2021-22 Proposed Budget for the City of Cottage Grove is, as required by Oregon Law, a balanced budget. Expenditures for all funds total \$39,855,653, a decrease of \$371,467 from the 2020-21 Adopted Budget. (The 2020-21 Budget had a decrease of \$1,698,005 from the 2019-20 Adopted Budget.) It is important to note that this number does not include revenues from federal packages, because we don't know the regulations and the disbursement schedule of those funds yet.

The City's permanent rate continues to be \$7.2087/\$1,000 of assessed value. This Proposed Budget was prepared using the City's full permanent levy amount. The City may levy less than the full rate without jeopardizing future opportunities to levy the full rate. However, the revenue that could be generated cannot be recovered in a future year. The proposed full levy is estimated to generate \$5,049,000 of collectable tax revenue, \$261,010 more than the budgeted property tax revenue in 2020-21. Again this year we have budgeted only a 2% taxable value increase. We believe this is very conservative and will likely see the full 3% assessed value increase because the assessed value is well below the total Real Market value. Property values would have to drop really bad to impact the assessed value.

The remaining revenues remain relatively unchanged from the 2020-21 Budget. We hope to see the Transient Room tax recover later this year. (The 2020-21 year to date Transient Room Tax collections are \$65,464.04 compared to the same period in the previous year of \$100,377.20). We have kept the Marijuana Tax revenue at the same amount budgeted for last year. Last year's revenues and previous years were much higher, however upon the effective date of Ballot Measure

110 we have seen a 75% drop in the State tax revenue. The major increase in the revenues in the General Fund is \$525,000 for loan proceeds. The loans are for new patrol vehicles and a roof on the Community Center. We may not take out the loans if other funding opportunities open up for those two expenditures.

Last year we had a number of lay-offs to prepare for the crisis ahead. We are now preparing for the re-opening. This 2021-22 Proposed Budget restores nearly all the positions with some changes that are exciting to announce.

In January 2021, the Chamber of Commerce moved out of the Community Center to their new location on Main Street. Additionally, we were in discussions with Lane Council of Governments to move their Senior and Disability Services into space in the Community Center. We also began discussions with Cottage Grove Genealogical Society to move their location to the old pool location in the building. While all of this was going on, we also began visiting with South Valley Athletics about possible relocation in the old Chamber of Commerce office space. As a result of all these discussions we have been remodeling the Community Center side of the building. The pool has been filled and the space remodeled for a beautiful new location for the Genealogical Society. The back room remodeling will begin soon for Senior and Disability Services. When the work is done, they will have space for their programs and will be adding their Café 60 program to the space as well. The Senior Center work is partially finished - waiting for the completion of the work for Senior and Disability Services. South Valley Athletics has moved into their new office.

These physical changes will have a major impact on the community. With this Proposed Budget the City will be entering into a partnership with South Valley Athletics to expand recreation programs throughout the community. SVA will take over the youth summer day camp activities from the Library. They will expand to include youth, adult and senior programs. In addition to providing the office and some storage space in the building, the City is including \$15,000 in the budget to move these programs forward. Two members of the City Council will be serving as liaisons to the SVA Board. We are excited to be starting this long desired partnership and see it as a start of expanded recreation opportunities throughout the community. These changes result in restructuring the Library organization. Library Staff will concentrate on Library functions and will partner and coordinate with SVA for programs and activities.

The remodel will also bring responsibility changes for the Community Center staff. Our staff will be taking a more active, supportive role in managing and operating the Senior Center. One of the challenges the Senior Center has had is maintaining programs, volunteers and participants over the years. The pandemic has made it even more difficult, actually impossible.

We are very excited to let the public back into the Community Center – hopefully in the Fall. The Community Center portion of the building has never really been remodeled since the City purchased the building in 1999. We see the building turning into a hub for seniors, adults and youth. We look forward to the opportunities it will bring.

We also have a number of staffing adjustments in other Public Works, Finance and Police Departments. Most of the changes are the result of retirements. We are adjusting office staff responsibilities in Public Works and Finance because of the retirement of our Administrative

Assistant. The duties are being distributed to other positions including Public Works HR duties to the HR Specialist in Finance. We are creating an Assistant Groundskeeper position at the Golf Course to prepare for the possible retirement of our current Superintendent. The Police Department includes four new Communications Specialists and the designation of a Communications Specialist Lead position. These changes are being placed in the Proposed Budget in hopes that discussions with the Fire District will be successful to return the 911 Service for fire and emergency medical calls to the Cottage Grove Public Safety Answering Point. Returning all 911 calls to the Cottage Grove center could have a dramatic impact on reducing response times and improving safety to members of the community.

The City Council adopted the Five-Year Financial Plan for City Utilities after substantial discussion and consideration. The plan continues the City's commitment to address water, stormwater and wastewater infrastructure needs. Because of the City's efforts over the last ten years, the Water and Stormwater utilities will see no increases over the next five years. With no increases, we will be able to fund \$6.3 million of water system improvements and only need to borrow \$1.3 million to accomplish those projects. Stormwater will be funding \$1.7 million in projects during the five-plan. The Wastewater Utility is facing some sizable projects and needs to raise rates to cover operating costs. The Five-Year Plan calls for a 12% increase on only the Wastewater portion of the Utilities for each of the next three years. This plan will fund \$7.5 million in projects over the next five years, with \$1.7 million in debt needed. The City Council examined the possibility of reducing the increase to 8% for two years and 5% in the third year. That proposal would complete \$7.4 million in projects while stretching the projects out over 10 years and require borrowing \$2.2 million to complete the work. With over \$13 million in projects that need to be completed, stretching out the projects just will not address the infrastructure needs.

The 2020-21 Budget had no rate increases. The proposed Financial Plan will make six years with no rate increases in Water and Stormwater. The table below compares the current rates with the proposed rates to begin July 1, 2021:

	Water Base	Water Consumption /1000 gals.	Water Improvement	Wastewater Base	Wastewater Consumption /1000 gals.	Wastewater Improvement	Storm Drain /ESU	Storm Drain Improvement /ESU
Current Rates	\$17.98	\$1.42	\$25.70	\$9.07	\$4.66	\$21.32	\$4.94	\$7.53
<b>Proposed Rates</b>	\$17.98	\$1.42	\$25.70	\$10.16	\$5.22	\$23.88	\$4.94	\$7.53

The proposed rates result in a \$6.45 monthly increase for residential users using 5,000 gallons of water, with a typically sized meter, a 5.5% increase for the total City Utility bill. The total increase will vary based on meter size, consumption and type of use. I must also state here that the Five-Year Plan can be dramatically impacted by a variety of outside sources. Unexpected changes to the energy availability or severely modified regulations can have an impact on the plan.

No other fee or rate increases are proposed in this Budget. During the year the City Council may review and adjust fees or charges, but this Budget is not prepared relying on any increased revenues from other fees.

The Building Inspection Fund continues to be a success, with the City providing Building Inspection services to Cottage Grove and the cities of Creswell, Coburg and Veneta. There are some adjustments to the Building Official position to separate the position from the other inspectors. Our current Permit Specialist has also become certified as a Residential Inspector.

I see this 2021-22 Proposed Budget as a reset. The 2021-22 Proposed Budget lets us hit the reset button and be ready to restart programs and activities. We don't quite know when that restart will be, but this Proposed Budget gets us ready to move forward quickly and recover from the pandemic even better prepared.

As we meet to review this Budget in a virtual environment, please do not feel intimidated by the technology or by physical distancing. There is nothing secret about the budget and we want to make this nearly \$40 million budget as easy to understand as possible. If you have any questions, please feel free to call me or the Finance Director. We will get you answers. Please also feel free to ask any questions or express concerns at the Budget Committee meeting.

Thank you to the City Council and members of the Budget Committee for taking your time to participate in the Budget process. We know we ask a lot of you to review this budget, which has taken us a couple of months to create.

Also, thank you to all of the staff who helped put this budget together under trying circumstances. Nerves are frazzled, but we got it done.

I look forward to discussing the Proposed Budget and answering questions regarding the Budget document.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Meyers', with a long, sweeping horizontal line extending to the right.

Richard Meyers  
City Manager







# COTTAGE GROVE CITY COUNCIL

## 2021 GOALS AND OBJECTIVES

### MISSION STATEMENT

We promote a vibrant community by providing a foundation of services for all.

<div><b>QUALITY OF LIFE</b> Strengthen recreation and physical activities within the community by supporting a variety of community events, developing entertainment, health and fitness opportunities, improving physical accessibility and removing barriers, addressing the needs of youth, preserving historical character and maintaining park and open spaces.<ul style="list-style-type: none"><li>Pursue efforts to improve available low income and affordable housing opportunities through creation of a task force to consider options to improve the availability and affordability and also evaluate existing policies and programs.</li><li>Continue development of City Parks (Bohemia, Row River Trailhead) and connections between existing bicycle paths or trails and to enhance the walking/biking connections for business and recreation access.</li><li>Expand programs to ensure safe and enjoyable park spaces are well maintained, free from litter, vandalism and graffiti.</li><li>Support volunteerism, growth and development of non-profits and service club opportunities. Pursue opportunities to promote service club membership throughout the community.</li><li>Pursue opportunities to speak and participate with local service clubs.</li><li>Maintain the feel of the community by strengthening opportunities for citizens of all ages to be a part of the community and build a sense of place.</li><li>Explore opportunities to encourage the use of upstairs spaces downtown.</li><li>Create programs to encourage maintenance of occupied properties and the use and maintenance of vacant land, commercial and residential buildings.</li><li>Support coordination with local service providers to enhance community efforts to address homelessness, mental health, housing and other basic community needs.</li><li>Pursue the creation of a new community reader board.</li></ul></div>	<div><b>PUBLIC SAFETY</b> Ensure a safe and secure community.<ul style="list-style-type: none"><li>Strengthen community emergency preparedness through promotion, education, practice and response teams. Specific emphasis on the Cascadia Subduction, resiliency and Continuity of Operations Planning.</li><li>Develop a crisis assistance program through partnership with South Lane Mental Health and other local community stakeholders.</li><li>Maintain and expand police relationships within the community.</li><li>Collaborate with South Lane County Fire and Rescue to improve 911 and dispatch services in Cottage Grove.</li><li>Collaborate with the School District, Fire District and County to explore education or information opportunities to enhance crime prevention and traffic, pedestrian and bicycle safety.</li><li>Conduct concentrated and targeted enforcement of vehicle, bicycle and pedestrian traffic safety issues.</li><li>Pursue and develop enhancements to pedestrian/bicycle crossing safety on Highway 99 and downtown.</li><li>Develop methods to hold men and women offenders accountable and reduce jail recidivism.</li><li>Support community groups operating crime and vandalism prevention programs within neighborhoods.</li><li>Develop program to encourage and reduce costs to enhance home or business security efforts.</li><li>Advocating on the State and Federal level to protect and strengthen the City's enforcement opportunities.</li></ul> <b>ECONOMIC DEVELOPMENT</b> Strengthen the environment for economic development through partnerships with the Chamber of Commerce, Economic Development Committee, Economic/Business Improvement District, Community Development Corporation and education providers, streamlining processes, reinforcing service values, enhancing tourism and promoting the community.<ul style="list-style-type: none"><li>Partner with the Chamber of Commerce, Downtown Cottage Grove, Lane County and other organizations to assist and speed economic recovery from COVID-19.</li><li>Explore methods to facilitate improved housing stock.</li><li>Continue to expand grant opportunities for downtown business improvements and seek additional funding source for economic development enhancement.</li><li>Enhance and pursue tourism opportunities in partnership with the Chamber of Commerce and Travel Lane County.</li><li>Restore the Armory for use to provide possible convention or meeting facilities downtown.</li><li>Partner with South Lane School District, Lane Community College, other local education providers and local business and industry to promote career or trade education and training.</li><li>Develop the expansion of the Cottage Grove Industrial Park and put properties for sale.</li></ul></div>
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<div><b>GOVERNANCE</b> Engage the public by enhancing opportunities for citizens to be involved and informed. Strengthen the development of effective and responsible leadership within the community. Seek opportunities for efficiencies with other agencies. Participate in advocacy efforts at the State and County levels.<ul style="list-style-type: none"><li>Councilors recruit citizens to join them in tours (at least six sessions during the year) of the water and wastewater treatment plants.</li><li>Enhance community outreach opportunities, virtual and in-person regarding infrastructure needs and funding such as: Hold a Neighborhood Infrastructure/City Educational (NICE) block party; participatory/interactive experiences and media coverage or projects.</li><li>Coordinate with Youth Advisory Council members to implement ideas from If I Were Mayor contest entries.</li><li>City Councilors participate on KNND Beeper show and in Sentinel Guest editorial opportunities.</li><li>Develop and support staff succession planning efforts.</li></ul></div>
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## **BUDGET COMMITTEE CHANGES FROM PROPOSED TO APPROVED BUDGET**

After the presentation of the Budget Message the Budget Committee made changes to the annual budget for Fiscal Year 2021-22. They are as follows:

In the General Fund, the Budget Committee increased the Federal Grants revenue line item in the amount of \$129,620 to reflect new information provided by staff regarding the amount of anticipated grant funding, with an offsetting expenditure in the same amount increasing for the 5311 Cares Grant Expenses line item. The total amount of the General Fund, both revenue and expenditures, increased \$129,620.

Also in the General Fund, Community Promotions Department, the Budget Committee added a line item to support Huerto de la Familia – The Family Garden, in the amount of \$5,000, to assist with the construction of a Cottage Grove Garden in partnership with South Lane School District. The contingency line item in the Internal Support Department of the General fund was decreased by the same amount. The net difference is zero.

In the Debt Service Fund, the LOCAP Administration Fee was increased by \$90 and the Series 2017 Admin Fee was decreased by the same amount. The net difference is zero.

	Proposed	Approved	Difference
<b>General Fund</b>			
<b>Revenue</b>			
Federal Grants	\$ 332,500	\$ 462,120	\$ 129,620
<b>Development Department</b>			
Materials and Services			
Cares 5311 Grant Expenses	\$ 110,000	\$ 239,620	\$ 129,620
<b>Community Promotions Department</b>			
Materials and Services			
Huerto de la Familia Support	\$ -	\$ 5,000	\$ 5,000
<b>Internal Support Department</b>			
Contingency	\$ 263,395	\$ 258,395	\$ (5,000)
Total Fund	<u>\$ 10,697,085</u>	<u>\$ 10,826,705</u>	<u>\$ 129,620</u>
<b>Debt Service Fund</b>			
<b>Expenditures</b>			
Special Payments			
LOCAP Admin Fee	\$ 370	\$ 460	\$ 90
Series 2017 Admin Fee	\$ 460	\$ 370	\$ (90)
Total Fund	<u>\$ 2,730,135</u>	<u>\$ 2,730,135</u>	<u>\$ -</u>

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## **CITY COUNCIL CHANGES**

### **FROM APPROVED TO ADOPTED BUDGET**

The Fiscal Year 2021-22 Annual Budget approved by the Budget Committee was adopted by the City Council with the following changes:

General Fund revenues were increased, specifically franchise fees in the amount of \$45,500 and grant revenues in the amount of \$162,210. The increased grant funding is offset with corresponding grant expenditures in the Development Department. Personnel changes were made in the Development Department, increasing the amount by \$12,505 with the elimination of the Assistant City Planner, and the addition of a City Planner position. In the Engineering Department, the amount requested was not changed, however an addition error was corrected. The contingency line in the General Fund, Internal Support Department was increased \$19,925. The General Fund is proposed to increase a total of \$207,710 overall since the approval of the Budget Committee, for an appropriation of \$11,034,415.

An Interfund Loan to the Street Fund from the Storm Drain Reserve Fund was approved by the City Council in the event Safe Routes to School grant funds are not received during fiscal year 2020-21. The 2021-22 fiscal year budget in the Street Fund – Internal Support Department and the Debt Service Fund was increased to repay the loan as required.

		Approved	Adopted	Difference
<b>General Fund</b>				
<b>Revenue</b>				
Federal Grants	\$	462,120	\$ 607,280	\$ 145,160
State and Local Grants	\$	55,000	\$ 72,050	\$ 17,050
Franchise Fees - NW Natural Gas	\$	52,000	\$ 90,000	\$ 38,000
Franchise Fees - Century Link	\$	11,500	\$ 19,000	\$ 7,500
<b>Development Department</b>				
<i>Personnel Services:</i>				
City Planner	\$	85,235	\$ 149,510	\$ 64,275
Assistant City Planner	\$	53,150	\$ -	\$ (53,150)
Unemployment	\$	380	\$ 385	\$ 5
FICA	\$	16,100	\$ 16,400	\$ 300
Retirement	\$	49,900	\$ 50,825	\$ 925
Deferred Compensation	\$	3,500	\$ 3,650	\$ 150
<i>Materials and Services:</i>				
Cares 5311 Grant Expenses	\$	239,620	\$ 362,950	\$ 123,330
CLG Grant 2020-21	\$	2,000	\$ 4,050	\$ 2,050
Rural Opportunity Initiative	\$	-	\$ 12,000	\$ 12,000
Entrepreneurial Devel. Program	\$	-	\$ 22,000	\$ 22,000
<i>Capital Outlay:</i>				
Buildings and Improvements	\$	-	\$ 3,000	\$ 3,000
<b>Internal Support Department</b>				
Contingency	\$	258,395	\$ 278,320	\$ 19,925
Total Fund	\$	10,826,705	\$ 11,034,415	\$ 207,710
<b>Street Fund</b>				
<b>Revenue</b>				
Carryover	\$	-	\$ 63,880	\$ 63,880
<b>Internal Support Department</b>				
Transfer to Debt Service	\$	10,300	\$ 74,180	\$ 63,880
Total Fund	\$	1,313,900	\$ 1,377,780	\$ 63,880
<b>Debt Service Fund</b>				
<b>Revenue</b>				
Transfer from Street Fund	\$	10,300	\$ 74,180	\$ 63,880
<b>Expenditures</b>				
Loan Principal-Street Interfnd Loar	\$	-	\$ 63,880	\$ 63,880
Total Fund	\$	2,730,135	\$ 2,794,015	\$ 63,880

The budget document reflects these changes in the adopted column.

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## **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 2021-22 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. The City’s budget contains the following fund and fund types:

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

### **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.

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## 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, operates the water and wastewater systems serving the City, operates a public library which is open six days a week, 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 2020 certified population estimate from Portland State University for Cottage Grove was 10,155. Between 2000 and 2010, the population of Cottage Grove grew by 12.3% which is somewhat faster (0.60 faster) than the population increase in Oregon.

The average high temperature in July and August is 83 degrees with the average low on summer nights in the low 50’s. The coldest month is December, with an average low of 34 degrees and highs in the mid 40’s.<sup>1</sup>

### General Information

Date of Incorporation	February 11, 1887
Area in Square Miles	3.98
Elevation in Feet	594’
Annual Precipitation	46.28”

### Police

Stations	1
Patrol Units	13
Sworn Officers	17
Physical Arrests, Juvenile and Adult (including traffic)	478
Traffic Violations	386
Written Warnings	1284
Parking Citations	69

### Streets

Miles of Paved Streets	45.66
Miles of Unpaved Streets	4.63
Miles of Storm Sewers	30.96

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<sup>1</sup> Retrieved April 19, 2021 from <http://www.usclimatedata.com/climate.php?location=USOR0077>.

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**Water**

Miles of Water Mains		49.35
Hydrants		461
Active Service Connections		3894
Daily Average Production in Millions of Gallons		
	May – October	1.9
	November – April	1.2
Maximum Daily Capacity of Plant in Million Gallons		6.0

**Wastewater**

Miles of Sanitary Sewers		45.95
Treatment Plant		1
Active Service Connections		3720
Daily Average Treatment in Million Gallons		
	May – October	1.22
	Nov. – April	2.30
Maximum Daily Capacity in Million Gallons		12.1

**Broadband**

Miles of Fiber (Figure includes fiber in Creswell)	9.3
Wi-Fi Radios Installed	96

**Community Services**

Community Centers	1
Parks & Open Spaces	34
Park Acreage	245.72
Golf Courses	1
Skateboard Parks	1
Tennis Courts	3
Trails (miles)	10.8

**Health Care**

Hospitals	1
Hospital Beds	14

**Education**

Elementary Schools	2
Elementary School Instructors	57
Secondary Schools	2
Secondary School Instructors	73
Charter Schools	1

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## Top Ten Taxpayers in the City of Cottage Grove<sup>2</sup>

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>
Wal-Mart Real Estate Business Trust	\$ 11,153,105
Magnolia Garden LLC	\$ 5,898,197
Starfire Lumber Co	\$ 6,189,586
Charter Communications	\$ 5,873,100
PacificCorp (PP&L)	\$ 5,424,000
Gregory A. Falk, LLC	\$ 5,061,535
ACI Real Estate SPE 128 LLC	\$ 5,139,436
PAPF Cottage Grove LLC	\$ 4,055,817
Northwest Natural Gas Co	\$ 4,189,000
Hillsboro West Plaza LLC	\$ 3,862,485

## Ten Year Statistics

<u>Year</u>	<u>Assessed Value</u>	<u>Population</u>	<u>School Enrollment</u>
2009-10	\$525,779,935	9705	2635
2010-11	\$537,670,091	9745	2761
2011-12	\$551,007,682	9745	2718
2012-13	\$546,268,728	9745	2639
2013-14	\$559,169,501	9785	2732
2014-15	\$585,890,795	9840	2613
2015-16	\$605,342,912	9845	2743
2016-17	\$623,835,385	9890	2514
2017-18	\$645,351,175	9920	2495
2018-19	\$673,134,127	10005	2559
2019-20	\$698,891,593	10140	2518
2020-21	\$729,186,938	10155	2495

## 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	\$750
Finance Petty Cash	\$200
Library	\$ 40
Police Department Petty Cash	\$100
Golf Course	\$1,000

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<sup>2</sup> Retrieved January 2021 from <http://www.lanecounty.org/Departments/AssessmentandTaxation/pages/default.aspx>.



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## 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). 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 2021 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 2021-22 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>
Feb.-April 2021 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.
April 2021 Notices of Budget Committee Meeting ORS 294.426	Required public notices are published in the local newspaper and/or the City's website 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. At least five days after the first public notice, but no less than five days before the first meeting, a second notice is published.

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### **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 2021 Budget Committee Meets ORS 294.426 ORS 294.428	Budget Committee meets to receive the FY 2021-22 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 2021 Publish Budget Summary & Notice of Budget Hearing ORS 294.448	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 2021	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, 2021	The adopted budget for fiscal year 2021-22 becomes effective July 1, 2021. Certain reports, forms, and documentation are provided to the County Assessor's office by July 15.

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## **BUDGET/FINANCIAL POLICIES**

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

### *OPERATING BUDGET POLICY*

#### Personnell 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 reasonable 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.

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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 drain 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.

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## *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 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 5% of fund operating budgets (excluding grant funding, capital outlay, and transfers to other funds). 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 3% of the fund revenues estimated for that fiscal year (excluding grant funding, capital outlay expenditures, and transfers to other funds). The contingency funds cannot be spent without an action by the City Council.

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## *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.

## **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.