

CITY OF COTTAGE GROVE, OREGON

2023-2024

ADOPTED BUDGET





TABLE OF CONTENTS

INTRODUCTION

Budget Committee Members/Staff	i
Budget Message.....	iii
City Council Goals and Objectives.....	vi
Budget Committee/Council Changes.....	vii
Organization of the Budget Document.....	1
City at a Glance	2
Budget Process and Calendar	7
Budget/Financial Policies	9

BUDGET SUMMARIES

Fund Descriptions	13
Summary of Resources and Requirements...	16
Summary of Individual Funds.....	19
Organizational Charts.....	21
Revenue Overview	29
General Fund Revenues	31
Property Tax Summary.....	33
Where Every Penny Goes	34
Personnel Services Summary.....	35

GENERAL FUND

General Fund Budget Summary.....	37
Revenues.....	39
Administrative	
City Council	41
City Manager.....	43
Finance	47
Community Services.....	51
Community Promotions.....	57
Public Safety	
Police Operations.....	61
Municipal Court	67
Court Support Services	71
Youth Peer Court.....	73

Public Works

Maintenance.....	75
Engineering	81
Broadband Services	85
Development	89
Library Services	97
Internal Support Department	101

SPECIAL REVENUE FUNDS

Special Revenue Funds Summary.....	103
Street Fund	
Revenues	105
Street Maintenance	107
Street Sweeping.....	111
Street Improvements/Capital Purchases.....	115
Internal Support Department	121
Assessment Fund	123
Police Communications Fund	
Revenues	125
Support Services	129
911 Services	130
Internal Support Department	131
Narcotics Forfeiture Fund	133
Bicycle & Footpath Fund	135
Building Inspection Fund	137
EDA Grant Fund	145
Housing Rehabilitation Loan Fund	149

ENTERPRISE FUNDS

Enterprise Funds Budget Summary	151
Water Fund	
Revenues.....	153
Water Distribution	155
Water Production.....	163
Internal Support Department	169
Wastewater Fund	
Revenues.....	171
Wastewater Collection.....	173
Wastewater Treatment Plant	181
Middlefield Golf Course	185
Internal Support Department	191
Storm Drain Utility Fund	193
Industrial Park Operations	197

CAPITAL PROJECTS FUND

Capital Projects Funds Budget Summary	199
Water Systems Development Fund	201
Wastewater Systems Development Fund ...	203
Storm Drain Systems Development Fund ...	205
Street Systems Development Fund	207
Park Systems Development Fund	209

RESERVE FUNDS

Reserve Funds Budget Summary	211
General Reserve Fund	213
Water Reserve Fund	217
Wastewater Reserve Fund	219
Storm Drain Reserve Fund	221
Building Inspection Reserve Fund	223

TRUST FUNDS

Debt Service/Trust Funds Budget Summary.	225
Debt Service Fund	227
Housing Dev. Cost Assistance Program	233
Special Trusts	235
Armory Trust Fund	241

APPENDIX

Boards and Commissions	243
Glossary	247
Acronyms/Abbreviations	253
City Council Resolution	255

City of Cottage Grove, Oregon

2023-24 Annual Budget

Budget Committee Members

City Council

Candace Solesbee, Mayor

Greg Ervin, Council President

Jon Stinnett

Chalice Savage

Dana Merryday

Alex Dreher

Mike Fleck

Citizen Members

Gary Manly

Amanda Gilbert

Danny Solesbee

Charles McLean

Charlene Sayles

Linda Yellin

Dennis Prociw

City Manager

Richard Meyers

Management Staff

Faye Stewart, Public Works & Development Director

Jeff Groth, Interim Police Chief

Roberta Likens, Finance Director





City Manager's Office

400 Main Street
Cottage Grove, Oregon 97424
(541)942-5501
Fax (541)942-5125
www.cottagegroveor.gov
E-mail: citymanager@cottagegrove.org

May 8, 2023

Dear Mayor, City Council and Budget Committee:

Attached is the 2023-24 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. I welcome a much more detailed discussion as the Budget Committee reviews the document.

Although we have seen some slight relief from the issues, we continue to be plagued by the nationwide issues of high inflation, employee shortages, supply chain challenges, product and material shortages. Because of failures by the state and federal governments to address the complex issues of substance abuse, housing and mental illness, local communities are being forced to face those issues too. All of these issues have a profound impact on the quality of life of all the members of our community. This Proposed 2023-24 Budget attempts to address the issues on a local level to relieve some of the impact. We continue to push for assistance from the State and Federal government to take steps to resolve the issues and provide resources for us to meet the needs of all our citizens.

The 2023-24 Proposed Budget for the City of Cottage Grove is, as required by Oregon Law, a balanced budget. Expenditures for all funds total \$51,351,401, an increase of \$5,212,922 from the 2022-23 Adopted Budget. After removing the major grant projects and the financing for Wastewater Treatment Plant upgrades the total Proposed Budget would be \$41,502,234. We will be quite busy with the grant projects and the Wastewater upgrades for the next two years.

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 \$5,660,000 of collectible tax revenue, \$360,000 more than the budgeted property tax revenue in 2022-23.

The Proposed Budget includes a new Special Revenue Fund to account for the funding for the Economic Development Administration (EDA) grants for Main Street and Bohemia Park. With the grants crossing over multiple budget years and the extra reporting requirements we felt it would be beneficial to account for the revenues and expenditures in a dedicated fund.

Street Fund Status

Staff has been discussing the condition of the Street Fund with Council for years. Last year staff reviewed the condition of our roads and the ability of the current revenue sources to keep up. At a recent conference the Deputy Director of the Oregon Department of Transportation stated that, "the gas tax is dead". Because of increased fuel economy and the greater number of electric vehicles, the gas tax

cannot be a dependable funding source for street improvements. Gas tax revenue has continued to decline and has not kept up with the increasing costs for street maintenance and construction.

After designating the funds for the EDA Main Street Grant match there are insufficient funds to do any substantial improvement projects on streets. We may be able to do some chip sealing work. In July the City received an updated Pavement Condition Index (PCI) for all City streets. In 3 years the PCI had declined 3.3% from 58 to 54.7 dropping the overall PCI from the low fair category into the poor category. The report also provided data that in order to maintain the current PCI the City would need spend at least \$1.5 million a year into street capital, preservation and maintenance projects. To move to PCI of 70 (good category) a yearly investment of \$2.5 to \$3 million would be required.

Street improvement costs continue to increase at rates higher than inflation. We have six major projects that we have on the shelf ready to proceed if funding is available. The costs for the projects have increased an average of 65% in the last year. The cost of concrete and asphalt has nearly doubled. Additionally, the state and federal standards for improvements have tightened and become more expensive to comply with. Court cases against ODOT and the City of Bend have dictated that expensive sidewalk improvements have to be made when street work is done.

The City Council at their last meeting created a Street Improvement Funding Ad Hoc Committee to help them walk through this complex issue. The committee will begin meeting later this month to discuss and explore options and create a plan to fund street improvements. They are charged with providing a recommendation to the City Council by August 14, 2023. Following the recommendation, the Council will pursue the implementation of the plan. Whatever the recommendations, the Council will be faced with significant budget modifications during the 2023-24 Budget year.

Personnel

We will be operating under the second year of Collective Bargaining Agreements with all three of the bargaining units. Employee of all three bargaining units will receive a 5% cost of living allowance pursuant to their respective CBA. The 2023-24 Proposed Budget includes a 5% cost of living allowance for non-represented employees to maintain parity. Currently the City is conducting a compensation study for non-represented employees to evaluate the compensation package and make sure that it remains comparable to other communities. After the analysis is complete, adjustments to non-representative employee compensation may be necessary. Bargaining unit employee compensation was evaluated last year as a part of the collective bargaining process.

Unavoidable costs continue to have a major impact on the increases in personnel expenditures. The Public Employee Retirement System significantly increased rates, on average just over 5%. Training costs also are putting a major burden on operations. The new Commercial Driver License (CDL) requirements are requiring additional training and certification costing at least \$7,500 for every new license. This is a huge expense for operating our Public Works equipment.

Utilities

In accordance with the Utility Five-year Financial Plan, last year the City Water and Storm Drain utilities had no increase and the Wastewater rates had a 12% increase. The economic conditions of the past year have escalated costs associated with operations in the utility funds. During the 2022-23 Fiscal Year, FCS Group, our consultant that prepares the Five-year Financial Plan, evaluated the plan and recommended modifications to the plan. We will be bringing the modified Financial Plan to the City Council for approval. The review indicated that the rates as proposed in the plan for Wastewater and

Storm Drain should remain as prepared (Wastewater 2023-24 – 12%; 2024-25 – 3%; 2025-26 – 0% and Storm Drain 0% for the next three years). The rates for the Water utility were originally proposed to have no increase for the remaining three years. The analysis indicates the Water utility rates will need to increase 6% in 2023-24 and 2024-25 fiscal years with no increase in the final year of the plan.

The proposed revised Five-Year Financial Plan was used to prepare the rates for this Proposed Budget.

The table below compares the current rates with the proposed rates to begin July 1, 2023:

	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	\$11.38	\$5.85	\$26.75	\$4.94	\$7.53
Proposed Rates	\$19.06	\$1.51	\$27.24	\$12.75	\$6.55	\$29.96	\$4.94	\$7.53

The proposed rates result in a \$13.65 monthly increase for residential users using 5,000 gallons of water, with a typically sized meter, a 10.65% increase for the total City Utility bill. The total increase will vary based on meter size, consumption and type of use.

We have compared golf course rates. The 2023-24 Proposed Budget includes a 20% rate increase at Middlefield Golf Course. The proposed rates still keep the course competitive with other courses. We will also be considering rate increases for the use of the Cottage Grove Armory to address the costs with increased use and services.


We will be reviewing all the fees in the Comprehensive Fee schedule to make sure they are relevant and cover costs but they are not reflected in the Proposed Budget. During the year the City Council may review and adjust fees or charges. This Proposed Budget is not prepared relying on any other increased revenues from other fees.

There is nothing secret about the budget and we want to make this \$51 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.

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

Sincerely,


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.

<p><u>QUALITY OF LIFE</u></p> <p>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.</p> <ul style="list-style-type: none">• 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.• 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.• Expand programs to ensure safe and enjoyable park spaces are well maintained, free from litter, vandalism and graffiti.• Support volunteerism, growth and development of non-profits and service club opportunities. Pursue opportunities to promote service club membership throughout the community.• Pursue opportunities to speak and participate with local service clubs.• 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.• Explore opportunities to encourage the use of upstairs spaces downtown.• Create programs to encourage maintenance of occupied properties and the use and maintenance of vacant land, commercial and residential buildings.• Support coordination with local service providers to enhance community efforts to address homelessness, mental health, housing and other basic community needs.• Pursue the creation of a new community reader board. <p><u>INFRASTRUCTURE</u></p> <p>Continue to raise community awareness of the public infrastructure (water, wastewater, stormwater, streets, parks, fiber) impact on economic development, the environment and public safety. Develop and implement plans to improve the condition and enhance the capacity of infrastructure to protect the public's assets while minimizing the financial impact to citizens and protecting the environment.</p> <ul style="list-style-type: none">• Explore and establish new means of funding street improvements on a local or regional approach.• Review Capital Improvement Plan to fund, replace and maintain community infrastructure.• Explore funding opportunities to implement select portions of the Main Street Refinement Plan.• Continue to develop and expand fiber network to seek Fiber to the Premises.• Complete and review downtown parking survey.• Create partnerships with local business/property owners to purchase or enhance public parking.• Improve the continuity of pedestrian sidewalk facilities.• Enhance handicap parking signage and improvements downtown.• Pursue the development of high level water reservoirs.	<p><u>PUBLIC SAFETY</u></p> <p>Ensure a safe and secure community.</p> <ul style="list-style-type: none">• Strengthen community emergency preparedness through promotion, education, practice and response teams. Specific emphasis on the Cascadia Subduction, resiliency and Continuity of Operations Planning.• Develop a crisis assistance program through partnership with South Lane Mental Health and other local community stakeholders.• Maintain and expand police relationships within the community.• Collaborate with South Lane County Fire and Rescue to improve 911 and dispatch services in Cottage Grove.• 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.• Conduct concentrated and targeted enforcement of vehicle, bicycle and pedestrian traffic safety issues.• Pursue and develop enhancements to pedestrian/bicycle crossing safety on Highway 99 and downtown.• Develop methods to hold men and women offenders accountable and reduce jail recidivism.• Support community groups operating crime and vandalism prevention programs within neighborhoods.• Develop program to encourage and reduce costs to enhance home or business security efforts.• Advocating on the State and Federal level to protect and strengthen the City's enforcement opportunities. <p><u>ECONOMIC DEVELOPMENT</u></p> <p>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.</p> <ul style="list-style-type: none">• Partner with the Chamber of Commerce, Downtown Cottage Grove, Lane County and other organizations to assist and speed economic recovery from COVID-19.• Explore methods to facilitate improved housing stock.• Continue to expand grant opportunities for downtown business improvements and seek additional funding source for economic development enhancement.• Enhance and pursue tourism opportunities in partnership with the Chamber of Commerce and Travel Lane County.• Restore the Armory for use to provide possible convention or meeting facilities downtown.• 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.• Develop the expansion of the Cottage Grove Industrial Park and put properties for sale.
---	--

<p><u>GOVERNANCE</u></p> <p>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.</p> <ul style="list-style-type: none">• Councilors recruit citizens to join them in tours (at least six sessions during the year) of the water and wastewater treatment plants.• 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.• Coordinate with Youth Advisory Council members to implement ideas from If I Were Mayor contest entries.• City Councilors participate on KNND Beeper show and in Sentinel Guest editorial opportunities.• Develop and support staff succession planning efforts.

BUDGET COMMITTEE CHANGES FROM PROPOSED TO APPROVED BUDGET

After the presentation of the Budget Message, the Budget Committee did not make any changes to the annual budget for Fiscal Year 2023-24.

BUDGET COMMITTEE CHANGES FROM APPROVED TO ADOPTED BUDGET

After holding a public hearing to receive citizen comments regarding the budget proposed by staff and approved by the Budget Committee, the City Council made changes to the annual budget for Fiscal Year 2023-24. They are as follows:

In the General Fund, Police Operations Department, a line item was added in Capital Outlay for the purchase of Work Equipment in the amount of \$24,610. The Community Promotions Department was increased \$18,600 to support Slabtown BMX - \$10,000; Singing Creek Education Center - \$1,600; South Valley Farmers Market an additional \$2,000; and the Friends of the Cottage Grove Carousel \$5,000. The contingency line item in the Internal Support Department was reduced \$43,210 to offset the increases. The net difference is zero.

In the Industrial Park Operation Fund, the repayment of a loan recieved from the Water Reserve Fund in FY 22-23, in the amount of \$151,000, necessitated the creation of a Transfer to the Water Reserve Fund line item. The contingency line item was reduced in the same amount. The Water Reserve Fund included a change in carryover, reduced by the loan amount of \$151,000 to the Industrial Park Fund in FY 22-23, and creating a transfer in from the Industrial Park Fund for repayment of the loan in the same amount, a net difference of zero.

The Wastewater Reserve Fund was changed to reflect that there was not a transfer from the General Fund ARPA funds of \$200,000 in FY23-24, as it occurred in FY 22-23. The Carryover line item was increased \$200,000, for a net difference of zero.

	Approved	Adopted	Difference
General Fund			
Police Operations			
Capital Outlay			
Work Equipment	\$ -	\$ 24,610	\$ 24,610
Community Promotions			
Materials and Services			
Singing Creek Education Ctr.	\$ -	\$ 1,600	\$ 1,600
South Valley Farmers Market	\$ 3,000	\$ 5,000	\$ 2,000
Slabtown BMX	\$ -	\$ 10,000	\$ 10,000
Friends of the CG Carousel	\$ -	\$ 5,000	\$ 5,000
Non-Departmental			
Contingency	\$ 415,025	\$ 371,815	\$ (43,210)
Total Fund	<u>\$ 11,879,280</u>	<u>\$ 11,879,280</u>	<u>\$ -</u>
Industrial Park Ops Fund			
Transfer to Water Reserve Fund	\$ -	\$ 151,000	\$ 151,000
Contingency	\$ 606,055	\$ 455,055	\$ (151,000)
Total Fund	<u>\$ 695,100</u>	<u>\$ 695,100</u>	<u>\$ -</u>

	Approved	Adopted	Difference
Water Reserve Fund			
Revenue			
Carryover	\$ 2,000,000	\$ 1,849,000	\$ (151,000)
Transfer from Industrial Park	\$ -	\$ 151,000	\$ 151,000
Total Fund	<u>\$ 3,637,500</u>	<u>\$ 3,637,500</u>	<u>\$ -</u>
Wastewater Reserve Fund			
Revenue			
Carryover	\$ 50,000	\$ 250,000	\$ 200,000
Transfer frm General Fund- ARPA	\$ 200,000	\$ -	\$ (200,000)
Total Fund	<u>\$ 2,233,145</u>	<u>\$ 2,233,145</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 are to 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 2023-24 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
- Special Revenue Funds
- Enterprise Funds
- Capital Projects
- Reserve Funds
- Debt Service Funds
- Trust Funds

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

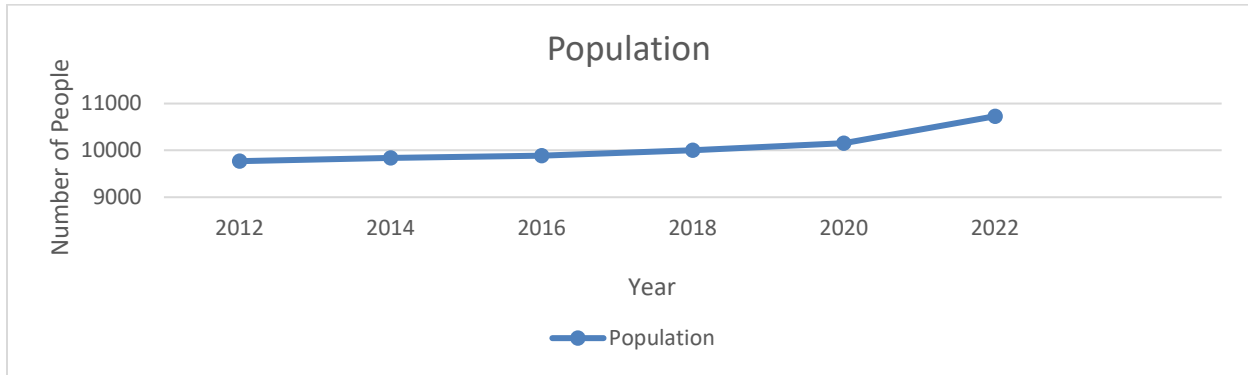
Cottage Grove, the “Covered Bridge Capital of Oregon”, is located in the middle of western Oregon and in the southern part of Lane County, on Interstate 5 (I-5). Cottage Grove is approximately 20 miles from the major population center of the area (Eugene-Springfield) and serves an immediate labor market 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, 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 December 15, 2022 certified population estimate from Portland State University for Cottage Grove was 10,729. Between 2010 and 2022, the population of Cottage Grove grew by 11.5%. The population decreased .38% in Oregon in 2022.



The average high temperature in July and August is 82 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.¹

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	16
➤ Sworn Officers	20
➤ Physical Arrests, Juvenile and Adult	423*
➤ Traffic Violations	339*
➤ Written Warnings	352*
➤ Parking Citations	53*

STREETS

➤ Miles of Paved Streets	45.66
➤ Miles of Unpaved Streets	4.63
➤ Miles of Storm Sewers	30.85

¹ Retrieved May 7, 2023 from <http://www.usclimatedata.com/climate.php?location=USOR0077>.

WATER

➤ Miles of Water Mains	49.35
➤ Hydrants	461
➤ Active Service Connections	3913
➤ Daily Average Production in Millions of Gallons	
	May – October 1.6
	November – April 1.0
➤ Maximum Daily Capacity of Plant in Million Gallons	6.0

WASTEWATER

➤ Miles of Sanitary Sewers	45.95
➤ Treatment Plant	1
➤ Service Connections	3735
➤ Daily Average Treatment in Million Gallons	
	May – October 1.0
	Nov. – April 3.5
➤ Maximum Daily Capacity in Million Gallons	13.0

BROADBAND

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

COMMUNITY SERVICES

➤ Community Center	14,966 sq. ft.
➤ Cottage Grove Armory	33,000 sq. ft.
➤ Cottage Grove Public Library	8,822 sq. ft.
➤ Parks & Open Spaces	34
➤ Park Acreage	245.72
➤ Golf Courses	1
➤ Skateboard Parks	1
➤ Tennis Courts	2
➤ Pickle Ball Courts	8
➤ Trails (miles)	10.8

HEALTH CARE

➤ Hospitals	1
➤ Hospital Beds	14

EDUCATION

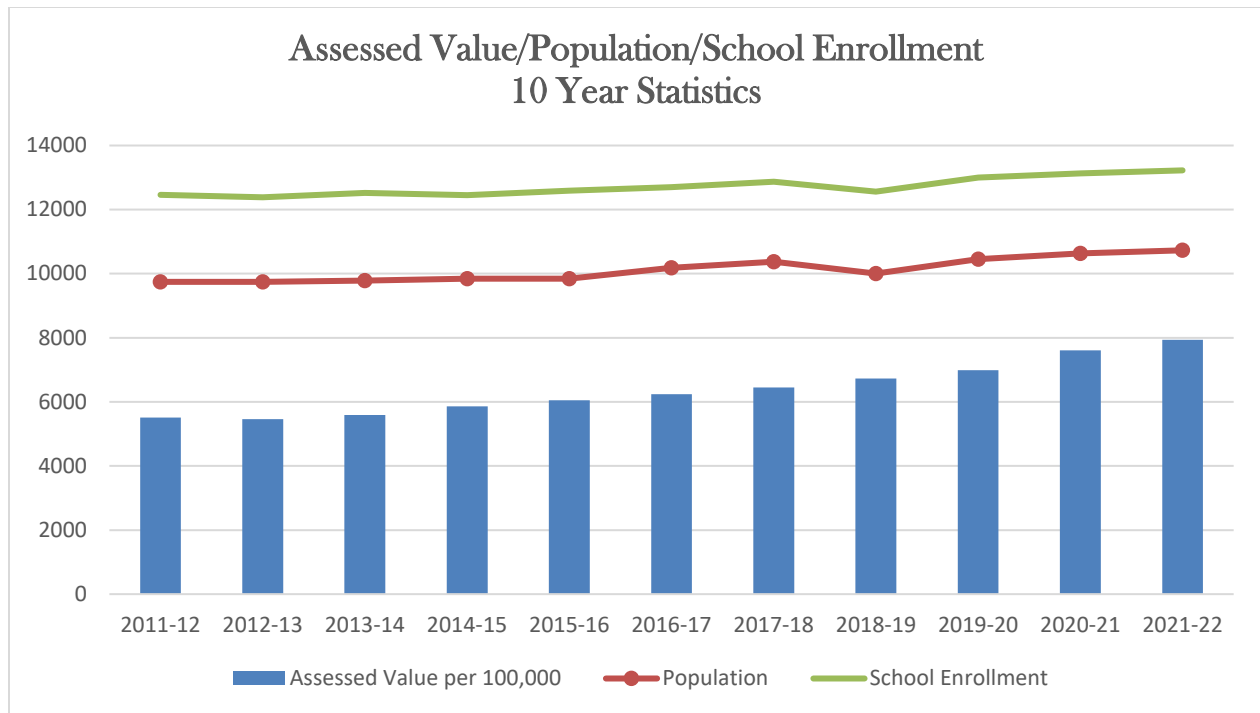
➤ Elementary Schools	2
➤ Elementary School Instructors	59
➤ Secondary Schools	2
➤ Secondary School Instructors	72
➤ Charter Schools	1

*Updated numbers not available at the time the Budget was developed.

Top Ten Taxpayers in the City of Cottage Grove²

RANK	TAXPAYER NAME	# OF PARCELS	TAX AMOUNT	ASSESSED AMT	MARKET AMT	ASSESSED TO MARKET
1	WAL-MART REAL ESTATE BUSINESS TRUST	1	\$ 197,138	\$ 11,172,923	\$ 11,606,819	96.26%
2	MAGNOLIA GARDEN LLC	3	\$ 147,596	\$ 8,070,008	\$ 12,277,032	65.73%
3	OREGON PRECISION IND INC	2	\$ 127,557	\$ 16,181,848	\$ 16,692,800	96.94%
4	STARFIRE LUMBER CO	8	\$ 123,643	\$ 6,977,834	\$ 8,104,793	86.10%
5	PACIFICORP (PP&L)	3	\$ 113,665	\$ 6,662,000	\$ 6,662,000	100.00%
6	BORG COMMERCIAL PROPERTIES LLC	1	\$ 108,353	\$ 5,704,840	\$ 6,178,881	92.33%
7	CHARTER COMMUNICATIONS	1	\$ 107,472	\$ 6,299,000	\$ 6,299,000	100.00%
8	ACI REAL ESATE SPE 128 LLC	1	\$ 98,633	\$ 5,452,427	\$ 5,876,060	92.79%
9	GREGORY A FALK LLC	1	\$ 98,249	\$ 5,369,782	\$ 9,002,077	59.65%
10	NORTHWEST NATURAL GAS COMPANY	2	\$ 88,277	\$ 5,174,000	\$ 5,174,000	100.00%

² Retrieved May 8, 2023 from [Lane County Assessment & Taxation, Tax Reports by Year, 2022-23 Tax Reports, Top Ten Tax Payers, City of Cottage Grove: https://www.lanecounty.org/cms/One.aspx?portalId=3585881&pageId=4131752](https://www.lanecounty.org/cms/One.aspx?portalId=3585881&pageId=4131752)



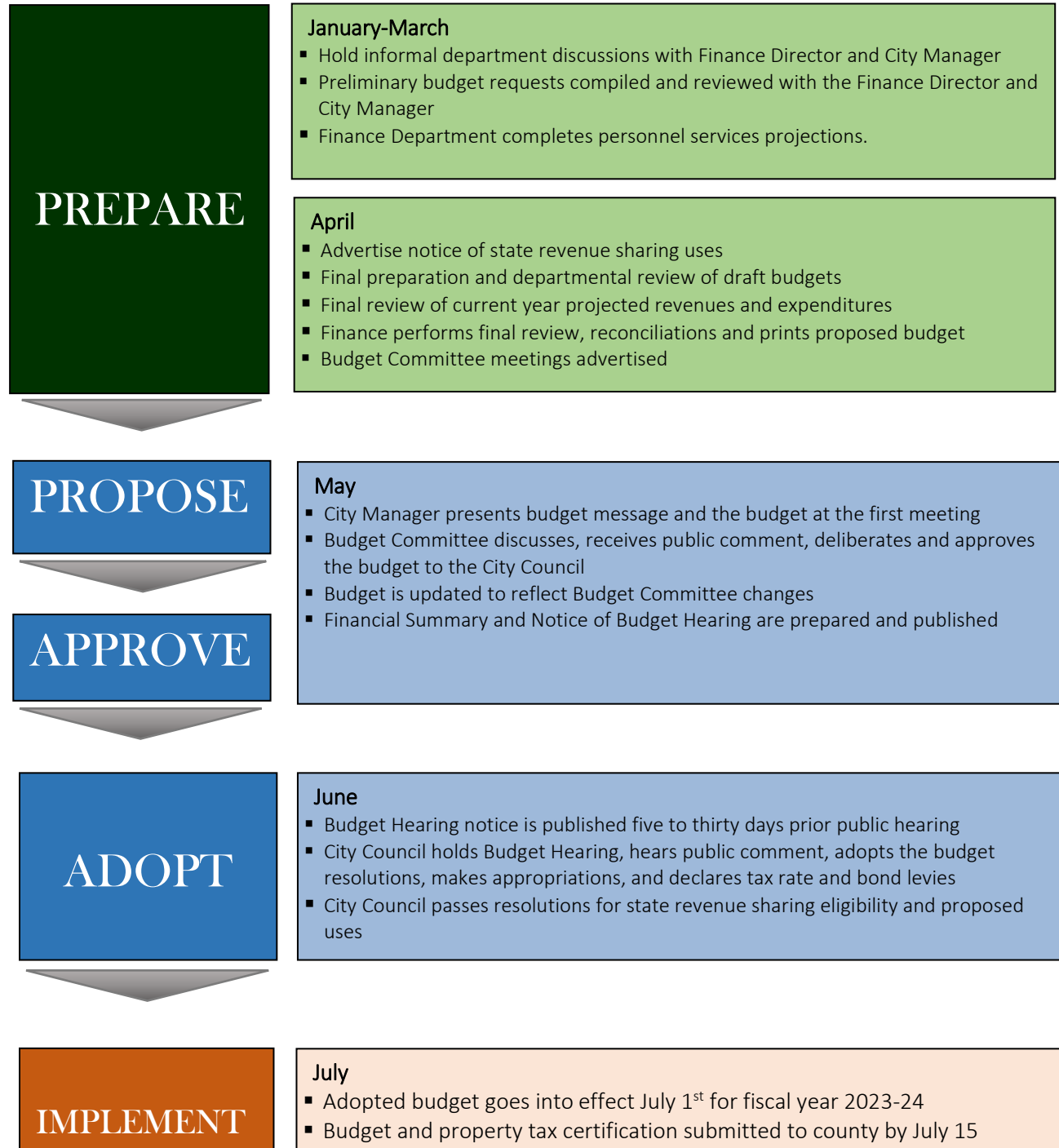
PETTY CASH

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
Golf Course	\$ 1,400

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:





BUDGET/FINANCIAL POLICIES

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

OPERATING BUDGET POLICIES

- Personnel 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 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:
 - ❖ 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.
 - ❖ To the extent possible, the Community Center will operate in a manner such that 5% of budgeted operating costs will be financed through user charges.
 - ❖ Golf Course operations and maintenance will be funded from user charges for all programs for which it is practical to charge. The goal is to have the fees represent at least 80% of the operating and debt service costs.
 - ❖ 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.
 - ❖ 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.
 - ❖ 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 287A.050.
- 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 strive to maintain its financial condition to 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% or more 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.

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 a supplemental budget will adjust fund expenditures by ten percent or less the supplemental budget may be adopted by the City Council at a regularly scheduled meeting. The budget committee is not required to be involved. If the proposed supplemental budget includes any changes by more than ten percent or will create a new fund or a new appropriation category, then a public hearing must be held and public comment taken before adoption of the supplemental budget. The City Council holds the hearing and the budget committee is not required to be involved. Notice requirements must also be met, depending on the process being utilized.