
FUND DESCRIPTIONS

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

GENERAL FUND

The General Fund accounts for resources devoted to support the services associated with local government. Operations within the General Fund are City Council, City Manager, Development Community Center, Municipal Court, Municipal Court Support Services, Police Operations, Youth Peer Court, 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 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, interest, and fees 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.

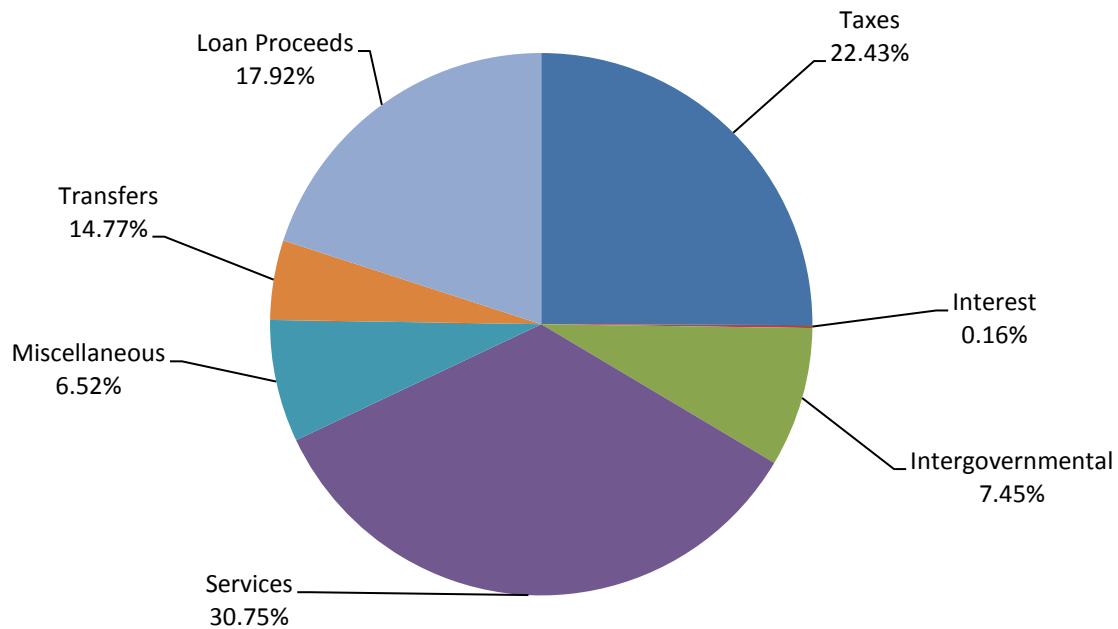


SUMMARY OF RESOURCES AND REQUIREMENTS

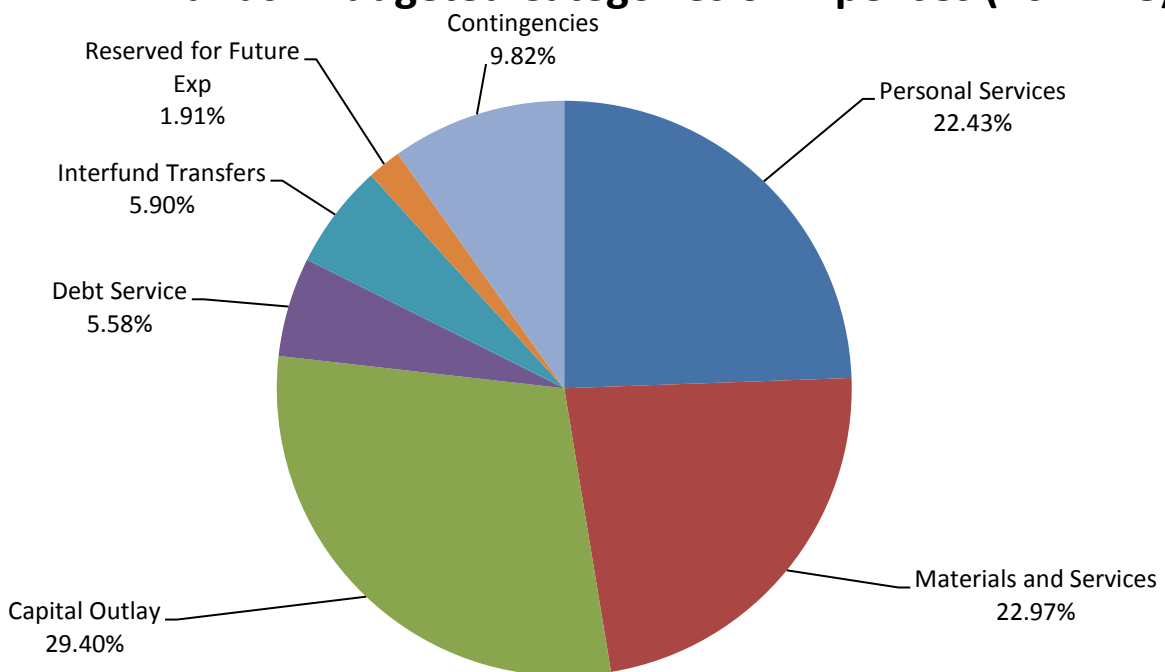
The City of Cottage Grove endeavors to provide services essential to the community and that enhance the quality of life. The table below summarizes the major resources and expenditures for all City funds. This financial data is intended to provide a broad overview of the City's budget. Two-year comparisons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

	Actual 2014-15	Actual 2015-16	Budget 2016-17	Adopted 2017-18
RESOURCES:				
Taxes	5,100,445	5,091,115	5,251,410	5,405,430
Interest	50,322	62,951	26,505	37,725
Intergovernmental	795,086	746,864	1,033,060	1,796,270
Services	6,570,270	7,005,411	7,155,766	7,409,840
Miscellaneous	1,480,914	1,205,065	1,198,340	1,571,740
Transfers	1,004,750	940,778	919,605	3,558,660
Loan proceeds	97,685	154,765	3,630,270	4,316,030
Beginning fund balance	7,818,649	8,841,990	9,426,159	9,090,033
Total Resources	<u>22,918,121</u>	<u>24,048,940</u>	<u>28,641,115</u>	<u>33,185,728</u>
REQUIREMENTS:				
Personal services	6,483,990	7,173,806	7,291,838	7,498,824
Materials and services	3,662,090	5,599,750	5,951,988	6,964,522
Capital outlay	762,765	6,981,773	8,279,197	9,101,660
Debt Service	2,171,497	2,326,062	2,476,420	2,464,500
Interfund transfers	985,450	921,478	900,305	3,589,355
Reserved for Future Exp.	0	0	6,500	584,825
Contingencies	0	2,966,392	3,168,617	2,982,042
Total Requirements	<u>14,065,792</u>	<u>25,969,261</u>	<u>28,074,865</u>	<u>33,185,728</u>
Ending Balance	8,852,329	558,550	566,250	0
Requirements + End. Bal.	<u>22,918,121</u>	<u>26,527,811</u>	<u>28,641,115</u>	<u>33,185,728</u>

All Funds - Budgeted Sources of Revenue (2017-18)



All Funds - Budgeted Categories of Expenses (2017-18)



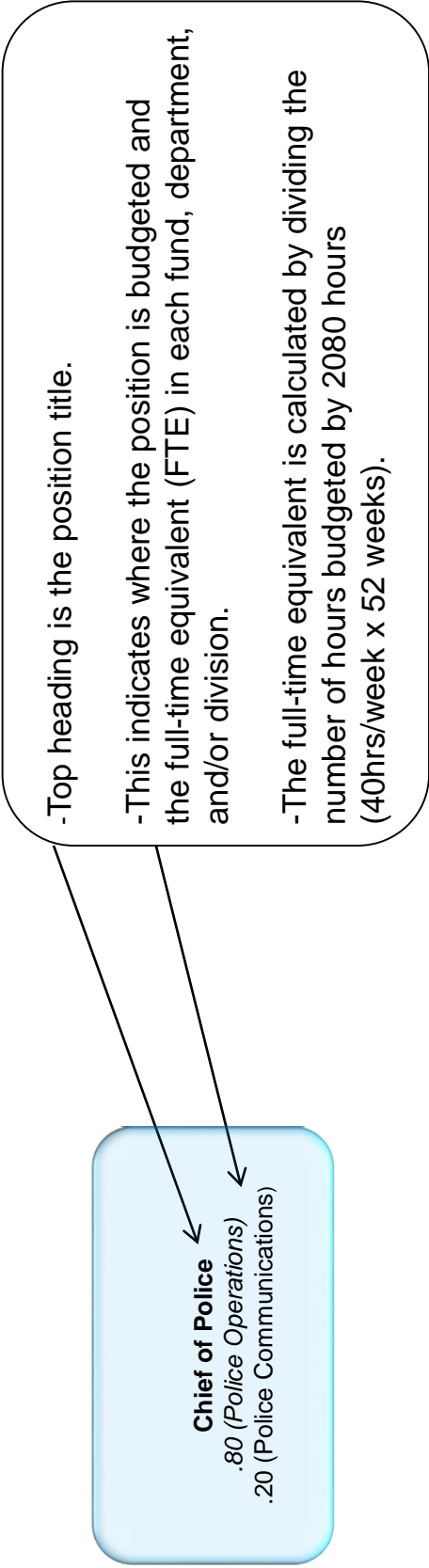


RESOURCES	RESOURCES
Water	Water
Wastewater	Wastewater
Sewer	Sewer
Parks	Parks
Street	Street

17



Organizational Chart Legend



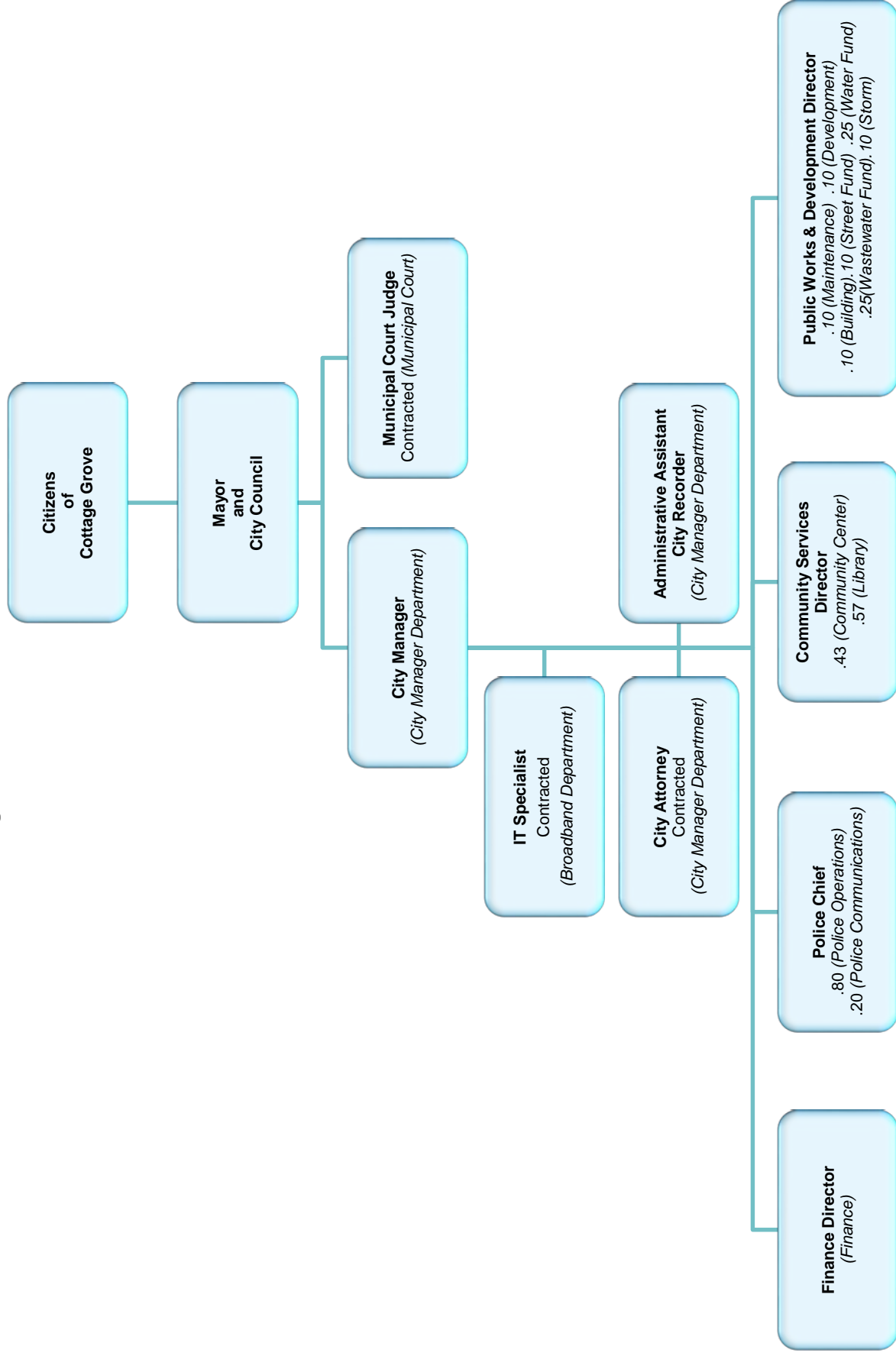
Abbreviation Legend

Asst. - Assistant
 Bldg. Inspec. - Building Inspection Program Fund
 Dir. - Director
 Eng. - Engineering
 Equip. - Equipment
 FTE - Full-Time Equivalent
 Groundskpr. - Groundskeeper
 Maint. - Maintenance

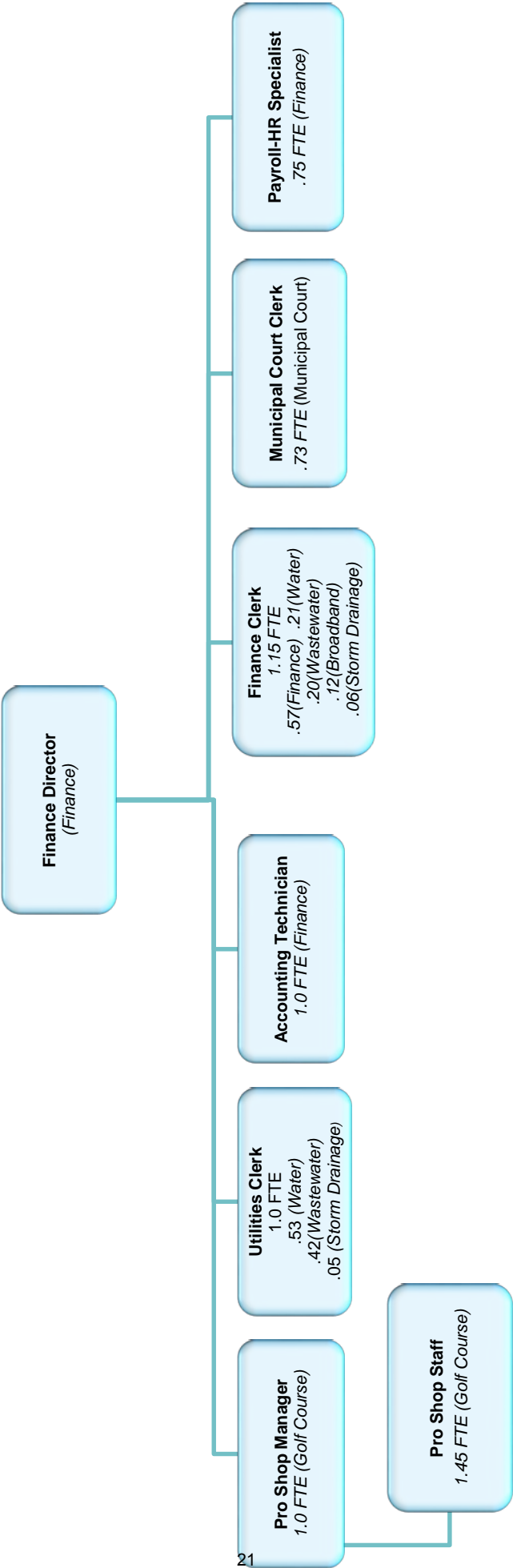
MW I,II,III - Maintenance Worker 1,2 or 3
 Supr. - Supervisor
 Supt. - Superintendent
 Tech. - Technician
 WTP - Water Treatment Plant
 WTR - Water
 WW - Wastewater
 WWTP - Wastewater Treatment Plant

City of Cottage Grove, Oregon

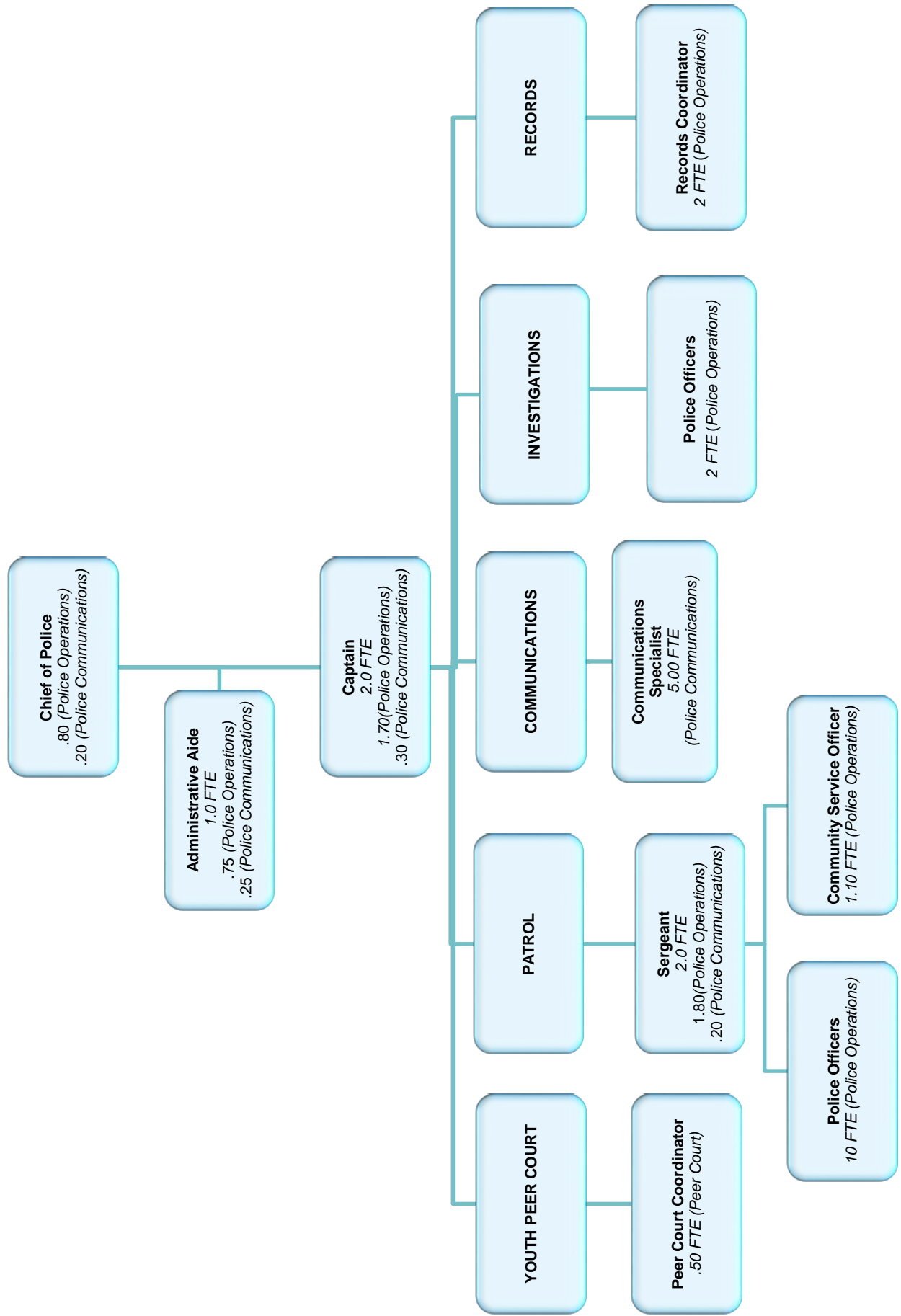
Organizational Chart



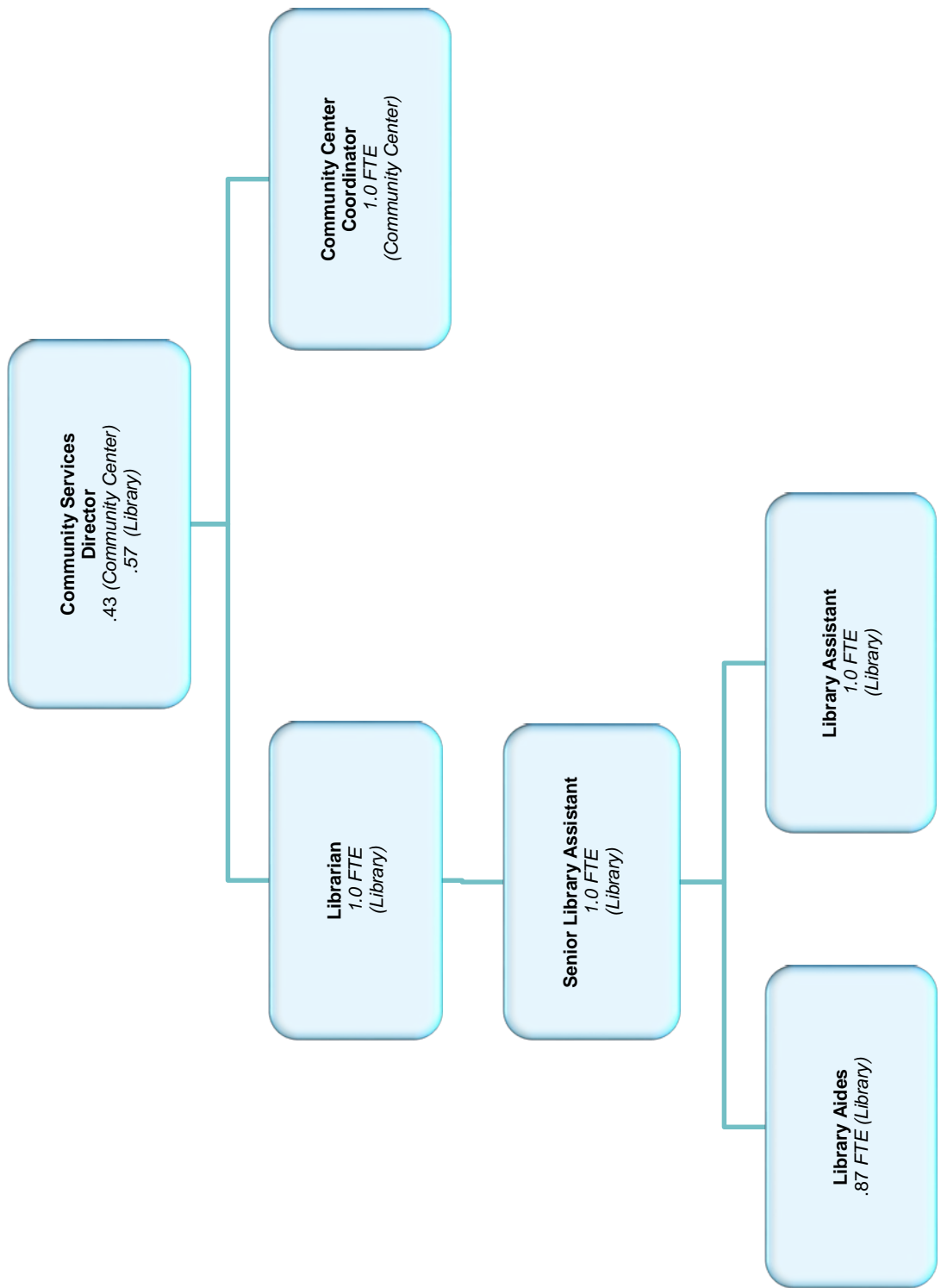
Finance Department



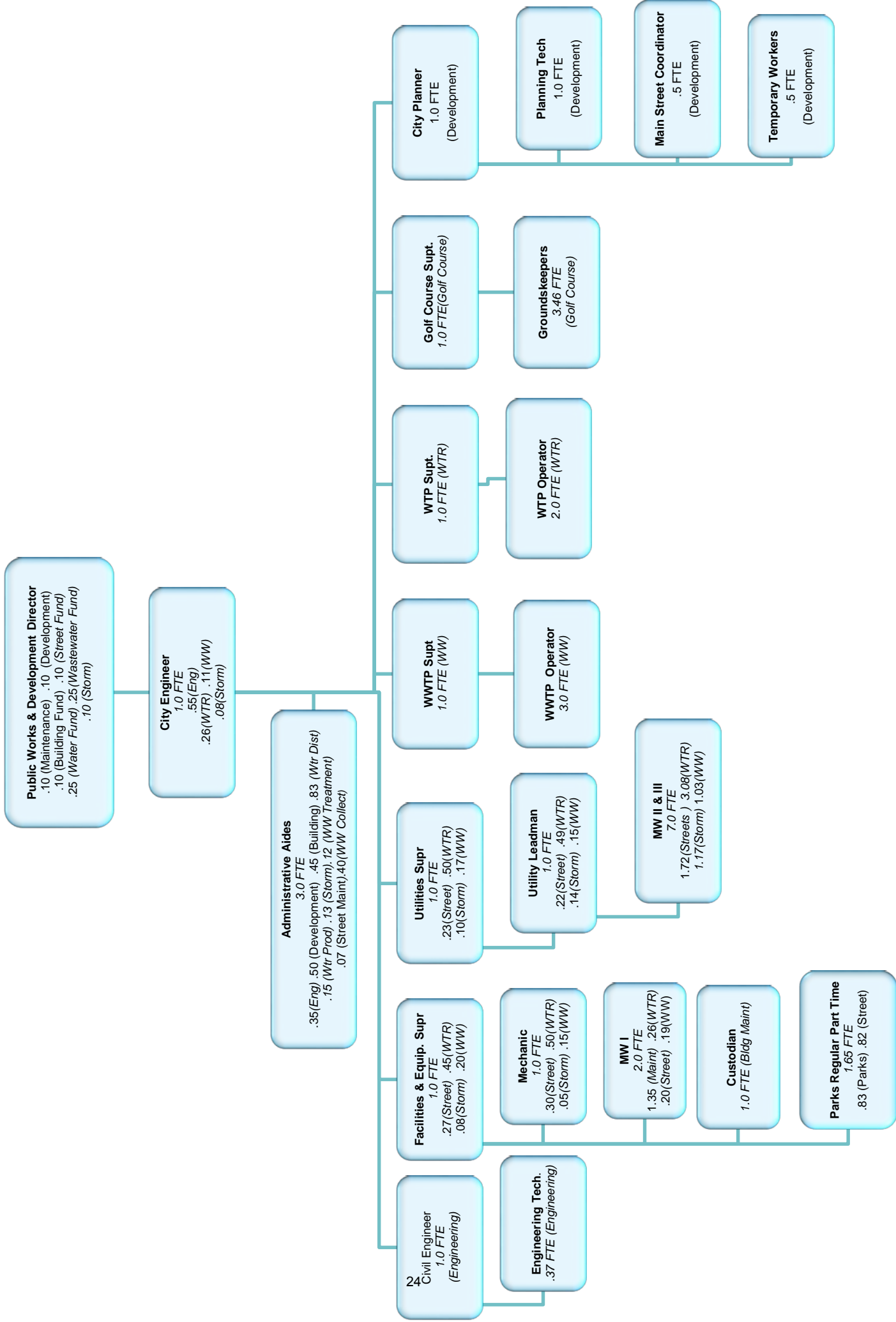
Police Department



Community Services Department



Public Works & Development Department



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 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 Fund
Parks SDC Fund	

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.

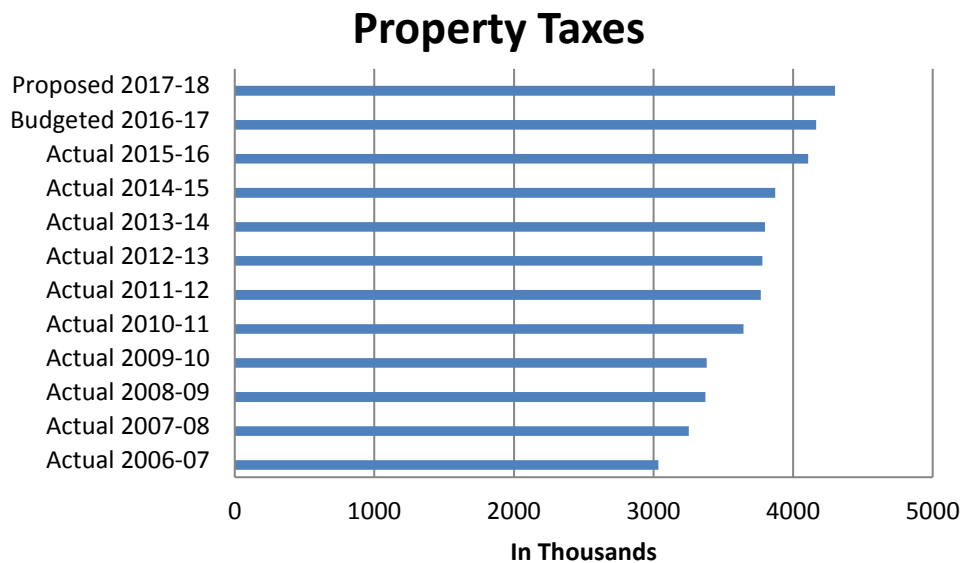
GENERAL FUND REVENUES

GENERAL FUND

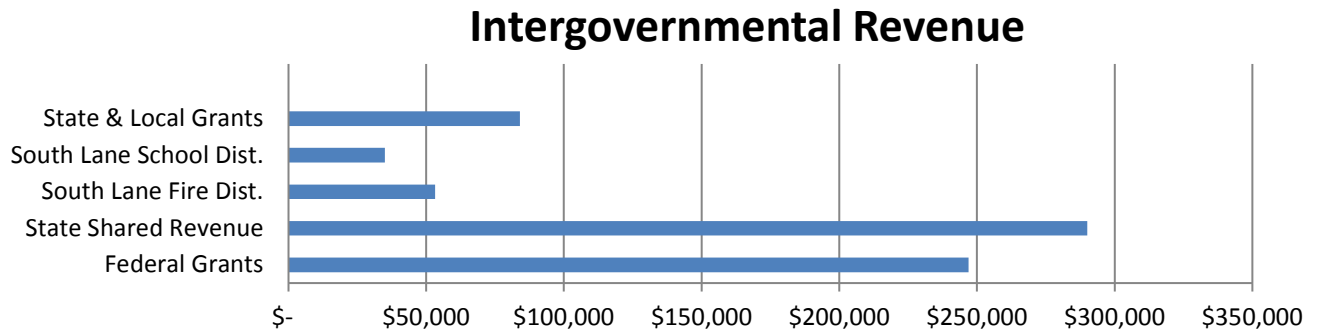
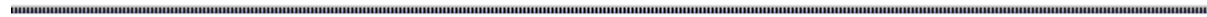
The General Fund is used to account for all revenues and expenditures of a general nature not required to be recorded in another fund. The primary revenues are described below.

Property taxes comprise 52 % 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 2017-18 budget is based upon 2% growth in assessed value.

Taxes for 2017-18 will be billed late October 2017, and can be paid in thirds on November 15, February 15, and May 15. Discounts are offered for payment made in full in November and February. For more information about property taxes refer to the Property Tax Summary. Budgeted taxes are less than levied amounts due to estimated uncollectable, delinquencies and discounts.



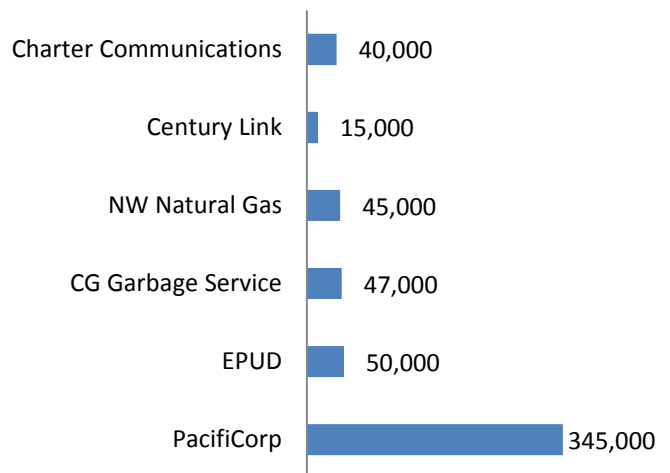
Intergovernmental revenues come from State shared revenues which include alcoholic beverage tax, cigarette tax, marijuana tax, state shared revenues; federal/state grants, South Lane Fire and Rescue District for PERS UAL debt reimbursement, and South Lane School District's contribution to support the School Resource Officer position. These sources total \$709,120 or 8.5% of the fund's total. The revenues are allocated by various formulas.



Franchise fees are the fourth largest revenue source and comprise 6.5% of the total revenues. These fees are charged to various utilities for use of public right-of-way. The proposed 2017-18 budget is based upon trend analysis. The fees are based upon a percentage of net sales within city limits. The franchise fees were last increased fiscal year 13-14; a 1.5% increase for electric utilities and a 2% increase for natural gas. The total percentage for both electric and natural gas is 5% of gross revenues. Telecommunications and cable franchise fees are currently at 7%. The sanitation franchise fee is currently 3.5%. The estimated percentages of total franchise fees to be collected by utility category for fiscal year 2017-18 are as follows:

Estimated Franchise Revenue 2017-18

Charter Communications – 6.51%
Century Link – 5.20%
Natural Gas Northwest Natural Gas 8.36%
Cottage Grove Garbage Service – 8.36%
Emerald People’s Utility District – 9.29%
PacifiCorp – 62.27%



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

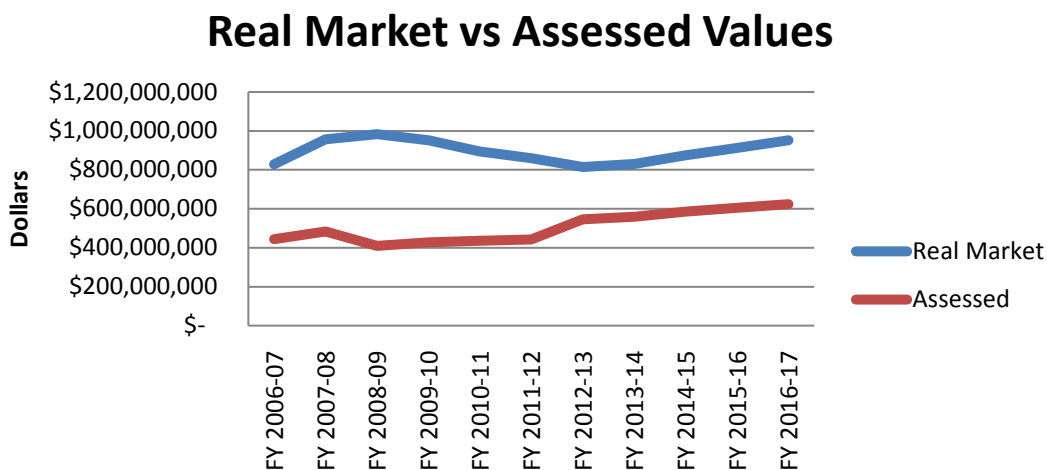
Certain departments provide services for which fees can be charged or fines can be assessed.

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 a general election either 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 for property taxes.



The real market value at fiscal year-end 2016 was \$952,300,790; the assessed value was \$623,835,385; assessed value was approximately 65.5% of market value.

Where Every Penny of Your Tax Dollar Goes

DEPARTMENT	FY 2017-18 PROPOSED
Administrative:	
City Council	36,500
City Manager	385,280
Finance	380,880
Community Promotions	122,200
Total Administration	924,860
Public Safety:	
Police Operations	2,783,714
Municipal Court	82,205
Court Support Services	76,150
Youth Peer Court	27,640
Total Public Safety	2,969,709
Public Works:	
Maintenance	355,705
Engineering	314,485
Broadband Services	338,290
Development	627,699
Total Public Works	1,636,179

DEPARTMENT	FY 2017-18 PROPOSED
Community Services:	
Library	446,335
Community Center	152,550
Total Community Services	598,885
TOTALS:	6,129,633
Non-Departmental *	2,183,597
TOTAL GENERAL FUND	8,313,230

* Non-Departmental includes a contingency for the General Fund of \$329,922, Transfers to Other Departments of \$1,032,700, and an Unappropriated Ending Fund Balance of \$577,575.

Admin.		Public Works	Comm.	PW Devel.	Non-Dept.
\$.11	Public Safety \$.36	\$.12	Serv. \$.07	\$.08	\$.26

