

**CITY OF COTTAGE GROVE**

**DEBT SERVICE AND SPECIAL TRUST FUNDS BUDGET SUMMARY**

<b>FUND/DEPARTMENT</b>	<b>FY 2015-16 ACTUAL</b>	<b>FY 2016-17 ACTUAL</b>	<b>FY 2017-18 BUDGETED</b>	<b>FY 2018-19 ADOPTED</b>
Debt Service Fund	0	0	2,464,500	2,727,565
Special Trusts Fund	13,751	101,264	410,543	59,075
Armory Trust Fund	0	0	0	287,500
<b>Total Trust</b>	<b>13,751</b>	<b>101,264</b>	<b>2,875,043</b>	<b>3,074,140</b>



**OVERVIEW**

Accounts for the principal and interest payments for the pension bonds sold in March 2002 to refinance the City's unfunded actuarial liability (UAL) with the Public Employees Retirement System (PERS). The final maturity of the debt is in June 2028. The liability is funded through transfers from the funds that finance the City's personnel costs.

Accounts for the principal and interest payments for the purchase of Middlefield Golf Course, purchased by the City in December 2006, and the additional property adjacent to the Course, purchased in June 2007, in the amounts of \$850,000 and \$375,000 respectively. The purchase of the course was refinanced using LOCAP proceeds in 2013 however; the additional property adjacent to the golf course did not qualify for LOCAP refinancing and remains as a conventional loan through Banner Bank. The funds are transferred from the Wastewater Fund to pay the debt. The LOCAP debt matures September 2026, and the loan for the additional property matures July 2027.

Accounts for the principal and interest payments for the payment to water customers for the discontinuation of water service. The debt was issued September 2007, in the amount of \$1,350,000. The funds are transferred from the Water Reserve Fund to pay the debt. The loan will be paid in full September 2027.

In fiscal year 2008-09, the City issued debt to construct a fiber optic network and wireless broadband system to serve the City, the School District, other public agencies, and local citizens. The amount of the loan was \$800,000, to mature August 2023. The liability is funded from a transfer from the General Fund for principal and interest payments.

During fiscal year 2009-10, the City Council authorized an interfund loan from the Storm Drain System Development Charges Fund to the Bicycle and Footpath Fund to pay for the emergency dismantling and storage of the Chambers Railroad Bridge. The loan was in the amount of \$193,000, interest free. The debt matures in fiscal year 2019-20. The funds to repay the debt are transferred from the Bicycle Footpath Fund.

During fiscal year 2010-11, the City purchased the Armory from the Oregon Military Department for \$395,000, interest free. The debt will mature September 2019. The funds are transferred from the General Fund to pay the debt.

During fiscal year 2012-13, the City issued through the Local Oregon Capital Assets Program (LOCAP), certificates of participation of \$16,705,000 with an aggregate true interest rate of 3.59%. Part of the debt was used to pay-off the Rural Development Revenue Bonds and other

loans used to finance the Industrial Park Construction (\$1,300,000) and the balance was used to finance water, wastewater, and storm drainage projects, as well as refund loans. The final maturity of the debt is in March 2033. The liability is funded through transfers from several funds that are responsible for the principal and interest payments.

In December, 2017, the City advanced refunded certain maturities of the City's Certificates of Participation, Series 2013A (LOCAP Program) combined with the outstanding 2009 OECDD Water Treatment Loan. The City issued Full Faith and Credit Refunding Obligations, Series 2017 in the amount of \$8,545,000 to achieve significant savings in interest. A portion of the 2013 LOCAP debt, \$4,965,000 was ineligible for refunding the remains as originally incurred. The liability is funded through transfers from several funds that are responsible for the principal and interest payments.

The fund also accounts for equipment purchases by various departments used in business operations. The liability is funded through transfers from the several funds that are responsible for the principal and interest payments.

#### **PROPOSED DEBT FISCAL YEAR 18-19**

The Police Department is proposing new debt, in the form of a lease in the amount of \$266,020, for the purchase a new radio system.

The Wastewater Department is proposing new debt of \$4.2 million to fund capital projects associated with a new effluent reuse program and projects outlined in the FCS Group Study.

The Storm Drain Department is proposing new debt of \$1.8 million to fund capital projects associated with projects outlined in the FCS Group Study.

#### **BUDGET YEAR OBJECTIVES**

- Track outstanding debt and make timely payments.

#### **MAJOR ACCOMPLISHMENTS FISCAL YEAR 2017-18**

- Made timely payments for outstanding debt.
- Refinanced a major portion of the 2013 LOCAP debt resulting in a net present value savings of \$688,522.
- Received a Bond Rating of AA/Stable from S&P Global Ratings (See Report in Appendix)

**City of Cottage Grove  
Fiscal Year 2018-19 Budget**

**817-817 DEBT SERVICE FUND**

2015-16	2016-17	2017-18		2018-19		
ACTUAL	ACTUAL	BUDGET	DESCRIPTION	PROPOSED	APPROVED	ADOPTED
REVENUE						
0	0	0	41010 CARRYOVER	0	0	0
0	0	0	53200 INTEREST REVENUE	0	0	0
0	0	17,420	55000 TRANSFER FOR PERS UAL			
0	0	49,945	55002 TRANSFER FROM WATER FUND	18,310	18,310	18,310
0	0	19,300	55003 TRANSFER FROM STREET FUND	50,390	50,390	50,390
0	0	12,415	55004 TRANSFER FROM BICYCLE FUND	19,300	19,300	19,300
0	0	1,640	55005 TRANSFER FROM POLICE COMM FUND	13,045	13,045	13,045
0	0	1,540	55006 TRANSFER FROM NARCOTICS FUND	1,720	1,720	1,720
0	0	106,415	55007 TRANSFER FROM BLDG INSP FUND	1,620	1,620	1,620
0	0	2,860	55008 TRANSFER FROM WASTEWATER FUND	106,075	106,075	106,075
0	0	61,100	55009 TRANSFER FROM STORM DRAIN FUND	3,005	3,005	3,005
0	0	800,460	55010 TRANSFER FROM IND PARK FUND	49,715	49,715	49,715
0	0	910,970	55032 TRANSFER FR. WATER RES FUND	750,875	750,875	750,875
0	0	104,295	55035 TRNSFR FROM WSTWATER RES FUND	1,042,645	1,042,645	1,042,645
0	0	376,140	55036 TRNSFR FROM STORM DR RES FUND	234,475	234,475	234,475
0	0	0	55037 TRANSFER FROM GENERAL FUND	436,390	436,390	436,390
0	0	2,464,500	TOTAL TRANSFER REVENUE	2,727,565	2,727,565	2,727,565
0	0	2,464,500	TOTAL REVENUE	2,727,565	2,727,565	2,727,565
EXPENDITURES						
BOND PRINCIPAL PAYMENTS						
0	0	35,000	90110-075 LOAN PRINCIPAL-LOCAP IND PARK	35,000	35,000	35,000
0	0	15,000	90110-078 LOAN PRINCIPAL-LOCAP FIBER	15,000	15,000	15,000
0	0	29,748	90110-081 LOAN PRINCIPAL-PERS UAL	30,345	30,345	30,345
0	0	100,000	90110-086 LOAN PRINCIPAL-LOCAP 2013 PROJ	100,000	100,000	100,000
0	0	45,000	90110-091 LOAN PRINCIPAL-LOCAP GOLF	45,000	45,000	45,000
0	0	275,000	90110-096 LOAN PRINCIPAL-LOCAP WTP	280,000	280,000	280,000
0	0	455,000	90110-099 LOAN PRINCIPAL-LOCAP WWTP	470,000	470,000	470,000
LOAN PRINCIPAL PAYMENTS						
0	0	67,823	90010-076 LOAN PRINCIPAL-BROADBND BANR	71,165	71,165	71,165
0	0	50,786	90110-080 LOAN PRINCIPAL-ARMORY	50,790	50,790	50,790
0	0	19,300	90110-090 LOAN PRINCIPAL-STORM SDC I.F	19,300	19,300	19,300
0	0	18,017	90110-092 LOAN PRINCIPAL-MF ADD'L PROP	18,940	18,940	18,940
0	0	64,556	90110-095 LOAN PRINCIPAL-UPRIVER COMP	67,930	67,930	67,930
0	0	84,355	90110-103 LOAN PRINCIPAL-WTP	55,000	55,000	55,000
0	0	41,735	90110-105 LOAN PRINCIPAL-SWEEPER	42,635	42,635	42,635
0	0	14,697	90110-109 LOAN PRINCIPAL-LOADER	15,145	15,145	15,145
0	0	5,965	90110-111 LOAN PRINCIPAL-JD TRACTOR MWR	6,095	6,095	6,095
0	0	5,936	90110-115 LOAN PRINCIPAL-TIGER MOWER	6,060	6,060	6,060
0	0	15,383	90110-121 LOAN PRINCIPAL-SEWER CAMERA	15,760	15,760	15,760
0	0	30,226	90110-123 LOAN PRINCIPAL-PD 2015 TAHOES	30,895	30,895	30,895
0	0	30,100	90110-125 LOAN PRINCIPAL-PD 2018 VEHICLES	28,640	28,640	28,640
0	0	11,566	90110-129 LOAN PRINCIPAL-JD TERRAINCUT	11,860	11,860	11,860
0	0	95,530	90110-130 LOAN PRINCIPAL-18/19 WW REUSE	107,000	107,000	107,000
0	0	0	90110-134 LOAN PRINCIPAL - 2018 PD RADIOS	57,090	57,090	57,090
0	0	0	90110-136 LOAN PRINCIPAL-18/19 WW FCS	38,100	38,100	38,100
0	0	0	90110-138 LOAN PRINCIPAL-18/19 STORM FCS	72,540	72,540	72,540

**City of Cottage Grove  
Fiscal Year 2018-19 Budget**

**817-817 DEBT SERVICE FUND**

2015-16	2016-17	2017-18			2018-19	
ACTUAL	ACTUAL	BUDGET	DESCRIPTION	PROPOSED	APPROVED	ADOPTED
BOND INTEREST PAYMENTS						
0	0	26,075	90111-079 LOAN INTEREST-LOCAP IND PRK	14,685	14,685	14,685
0	0	13,250	90111-080 LOAN INTEREST-LOCAP FIBER	12,900	12,900	12,900
0	0	166,461	90111-083 LOAN INTEREST-PERS UAL	175,855	175,855	175,855
0	0	86,001	90111-089 LOAN INTEREST-LOCAP 2013 PROJ	83,550	83,550	83,550
0	0	19,338	90111-093 LOAN INTEREST-LOCAP GOLF	18,395	18,395	18,395
0	0	177,850	90111-098 LOAN INTEREST-LOCAP WTP	176,250	176,250	176,250
0	0	193,425	90111-101 LOAN INTEREST-LOCAP WWTP	183,740	183,740	183,740
0	0	23,759	90111-078 LOAN INTEREST-BROADBND BANR	20,420	20,420	20,420
0	0	11,997	90111-094 LOAN INTEREST-MF ADD'L PROP	11,080	11,080	11,080
0	0	45,842	90111-097 LOAN INTEREST-UPRIVER COMPENS	40,885	40,885	40,885
0	0	96,673	90111-104 LOAN INTEREST-WTP	75,430	75,430	75,430
0	0	2,989	90111-106 LOAN INTEREST-SWEEPER	2,095	2,095	2,095
0	0	1,024	90111-110 LOAN INTEREST-LOADER	580	580	580
0	0	428	90111-112 LOAN INTEREST-JD TRACTOR MWR	300	300	300
0	0	428	90111-116 LOAN INTEREST-TIGER MOWER	300	300	300
0	0	1,475	90111-122 LOAN INTEREST-SEWER CAMERA	1,095	1,095	1,095
0	0	1,092	90111-124 LOAN INTEREST-PD 2015 TAHOES	425	425	425
0	0	3,500	90111-126 LOAN INTEREST-PD 2018 VEHICLES	1,330	1,330	1,330
0	0	1,290	90111-130 LOAN INTEREST-JD TERRAINCUT	1,000	1,000	1,000
0	0	79,580	90111-131 LOAN INTEREST-18/19 WW REUSE	126,500	126,500	126,500
0	0	0	90111-135 LOAN INTEREST - 2018 PD RADIOS	0	0	0
0	0	0	90111-137 LOAN INTEREST-18/19 WW FCS	30,400	30,400	30,400
0	0	0	90111-139 LOAN INTEREST-18/19 STORM FCS	58,860	58,860	58,860
SPECIAL PAYMENTS						
0	0	850	901115-000 TRUSTEE FEE - PERS UAL	850	850	850
0	0	450	90116-000 LOCAP ADMIN FEE	350	350	350
0	0	2,464,500	TOTAL EXPENDITURES	2,727,565	2,727,565	2,727,565

**OVERVIEW**

The Special Trusts fund accounts record the revenues and expenditures for special identified purposes or uses. Typically, the accounts are established for programs or projects that will be in place for multiple years. The revenues are typically donations, grants or memorials and are accounted for specifically for the purposes established. Interest on the funds is calculated and allocated to accounts based on the account balances. Expenditures are restricted and can only be made for purposes identified in the establishment of the trust accounts. When an account reaches a zero balance for three years (unless a fixed principle donation) the account history will be removed from the Special Trust Fund.

The Special Trusts fund has the following established trust accounts:

**Ed Jenks**

A fixed principle donation of \$3,000 by the estate of Ed Jenks to the Cottage Grove Library. Expenditures are restricted to purchases of non-fiction books for the Library. Interest earnings are used to purchase books.

**Memorial Tree**

Funds earmarked for the Memorial Tree Program, are used to plant and care for trees planted on City property. Established by the City Council in 2000.

**H<sub>2</sub>O**

The H<sub>2</sub>O (Help to Others) account was formed in partnership with Community Sharing to provide an opportunity for City utility customers to donate to assist in the support community members that need temporary assistance with utility bills. Funds are passed to Community Sharing who oversees the distribution of the funds. Customers may round-up or designate a specific amount to be used for the assistance program. The money collected and expended is accounted for within this trust fund. Funds typically do not carry over in the fund but are passed through to Community Sharing on a regular basis.

**Chambers RR Bridge**

Originally established to receive donations to restore the Chambers Covered Railroad Bridge, funds remaining are used to provide maintenance and repairs on the historic bridge.

**Library Exhibits**

An account established to receive donations to assist with costs of exhibits and programs in the library commemorating the 150<sup>th</sup> Anniversary of the Civil War, remaining funds will be used to cover costs for special exhibits in the Library.

#### Swinging Bridge

A trust fund account to receive donations, grants and other proceeds to fund the repair and maintenance of Swinging Bridge. Currently, the City Utility bills contain a donation line to collect funds for the repairs needed to re-open the Swinging Bridge.

#### Kicking It with the Cops

An account established to receive donations, grants, and other proceeds to fund the annual Kicking it with the Cops community event.

#### Police K-9

An account established to cover the costs of care for Police Department K-9s and for equipment to support the K-9 program in the Police Department.

#### Eugene Symphony

A trust fund account established to account for donations, grants and proceeds raised to cover the costs of the Eugene Symphony concert in Bohemia Park.

#### Dog Kennel

The success of the dog kennels has generated interest from individuals and organizations to support the program. The Dog Kennel account was created to receive donations to cover expenditures for maintenance, improvements, and supplies for the kennels or care of dogs housed.

Miscellaneous accounts for specific donations are also received and held for one time expenditures in the trust fund.

#### **DEPARTMENT OPERATIONAL OBJECTIVES**

- Maintain the funds in trust for the specified purposes.

#### **BUDGET YEAR OBJECTIVES**

- Account for funds in trust, allocating interest earned to the identified projects/purposes.

#### **SIGNIFICANT BUDGET CHANGES FROM FISCAL YEAR 2017-18**

- The Armory Trust revenues and expenditures have been placed in a separate trust fund due to anticipated activity.



**City of Cottage Grove  
Fiscal Year 2018-19 Budget**

**825-825 SPECIAL TRUSTS FUND**

2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	DESCRIPTION	2018-19		
				PROPOSED	APPROVED	ADOPTED
REVENUE						
3,540	3,004	3,075	41010-203 CARRYOVER-ED JENKS TRUST	3,055	3,055	3,055
399	401	411	41010-204 CARRYOVER-MEMORIAL TREES	405	405	405
105	29	0	41010-205 CARRYOVER-MCALPINE DONATION	0	0	0
23	23	0	41010-206 CARRYOVER-COREY FAMILY DONAT	0	0	0
136	137	140	41010-207 CARRYOVER-CHAMBERS RR BRDG	140	140	140
153	309	0	41010-208 CARRYOVER-H20 PROGRAM	0	0	0
2,087	2,812	2,879	41010-209 CARRYOVER-K-9 DONATIONS	2,860	2,860	2,860
589	593	606	41010-210 CARRYOVER-LIBRARY EXHIBITS	600	600	600
2,217	2,229	2,282	41010-211 CARRYOVER-LDS CHURCH SDWLK	2,265	2,265	2,265
50,786	38,156	15,000	41010-212 CARRYOVER-ARMORY DONATIONS	0	0	0
0	10,054	0	41010-213 CARRYOVER-EUGENE SYMPHY DONAT	0	0	0
0	0	225	41010-214 CARRYOVER-SWINGING BRIDGE	10,180	10,180	10,180
0	0	0	41010-215 CARRYOVER-KICKIN IT W/COPS	2,410	2,410	2,410
308	297	250	53200 INTEREST	250	250	250
0	5,000	0	51130 STATE AND LOCAL GRANTS	0	0	0
0	1,000	0	54060 MISCELLANEOUS REVENUE	0	0	0
0	1,342	775	54092 SWINGING BRIDGE DONATIONS	1,000	1,000	1,000
0	0	500	54093 DOG KENNEL DONATIONS	500	500	500
0	50,152	350,000	54150 ARMORY DONATIONS	0	0	0
710	0	0	54160 K-9 DONATIONS	0	0	0
444	504	400	54170 H20 PROGRAM DONATIONS	410	410	410
10,000	10,589	34,000	54175 EUGENE SYMPHONY DONATIONS	34,000	34,000	34,000
0	0	0	54177 KICKIN' IT-PD CALENDAR FUNDRAISER	0	0	0
0	0	0	54178 KICKIN' IT-BLANKET FUNDRAISER	0	0	0
0	0	0	54179 KICKING IT WITH THE COPS DONATION	1,000	1,000	1,000
71,498	126,631	410,543	TOTAL REVENUE	59,075	59,075	59,075
EXPENDITURES						
MATERIALS AND SERVICES						
0	34,794	0	71000 CONTRACTUAL SERVICES	0	0	0
0	0	2,879	76015 K-9 EXPENSE	2,885	2,885	2,885
0	0	0	76020 KICKIN' IT WITH THE COPS EXPENSE	3,445	3,445	3,445
552	0	75	76126 ED JENKS TRUST	60	60	60
0	0	411	76127 MEMORIAL TREES PROGRAM	410	410	410
76	0	0	76128 MCALPINE LARGE PRINT BOOKS	0	0	0
289	813	400	76200 H20 PROGRAM EXPENSE	450	450	450
0	0	606	76205 LIBRARY EXHIBITS	605	605	605
2,834	0	350,250	76215 ARMORY EXPENSE	0	0	0
0	0	2,282	76218 LDS CHRUCH - SIDEWALK CONSTRUCTION	2,305	2,305	2,305
0	20,101	34,000	76219 EUGENE SYMPHONY	34,000	34,000	34,000
0	0	140	76220 CHAMBERS RR BRIDGE	140	140	140
0	0	500	76221 DOG KENNEL EXPENSES	505	505	505
3,751	55,708	391,543	TOTAL MATERIALS AND SERVICES	44,805	44,805	44,805
CAPITAL OUTLAY						
10,000	45,556	0	83000 BUILDINGS & IMPROVEMENTS	0	0	0
0	0	15,000	83000-001 BUILDINGS & IMPROVEMENTS - ARMORY	0	0	0
0	0	1,000	83000-002 BUILDINGS & IMPROVEMENTS - SWNG BRDC	11,270	11,270	11,270
10,000	45,556	16,000	TOTAL CAPITAL OUTLAY	11,270	11,270	11,270
0	0	3,000	99010 ED JENKS TRUST -UNAPPROP. BAL.	3,000	3,000	3,000
57,747	0	0	99020 ENDING BALANCE	0	0	0
71,498	101,264	410,543	TOTAL EXPENDITURES	59,075	59,075	59,075



**FUND: SPECIAL TRUSTS****FUND/DEPARTMENT #:827-827****ARMORY TRUST FUND****OVERVIEW**

Special Trusts funds record the revenues and expenditures for special identified purposes or uses. As a result of increased activity with the restoration of the Cottage Grove Armory and the long term nature of the restoration project a specific trust fund has been established to account for donations, grants and proceeds to cover expenditures for renovation, maintenance, operation, equipment and supplies for the Cottage Grove Armory.

**OPERATIONAL OBJECTIVES**

- Maintain the funds in trust for the specified purposes.
- Account for grants and donations made for the purpose of renovating the Armory.
- Fund the restoration of the Cottage Grove Armory.
- Upon completion of the multi-year restoration, an Armory Operation fund will be established to account for operating revenue and expenses.
- Fund events and activities to raise funds for the restoration of the Armory.
- Rent the facility for community events and activities.

**BUDGET YEAR OBJECTIVES**

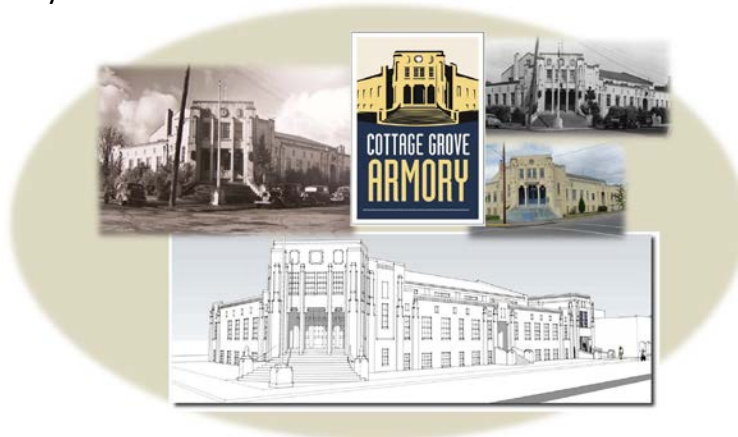
- Account for funds in trust.
- Conduct restoration of Armory façade.

**MAJOR ACCOMPLISHMENTS – FISCAL YEAR 2017-18**

- Held 2<sup>nd</sup> Annual Mayor's Ball.
- Held Ice Cream Social.

**SIGNIFICANT BUDGET CHANGES FROM FISCAL YEAR 2017-18**

- The Armory Trust revenues and expenditures have been placed in a separate trust fund due to anticipated activity.
- Armory rental fees have been removed from General Fund and are now accounted for in the Armory Trust Fund.



**City of Cottage Grove  
Fiscal Year 2018-19 Budget**

**827-827 ARMORY SPECIAL TRUSTS FUND**

2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	DESCRIPTION	2018-19		
				PROPOSED	APPROVED	ADOPTED
REVENUE						
0	0	0	41010 CARRYOVER	0	0	0
0	0	0	51120 FEDERALGRANTS	10,000	10,000	10,000
0	0	0	51130 STATE AND LOCAL GRANTS	200,000	200,000	200,000
0	0	0	54105 MAYOR'S BALL	60,000	60,000	60,000
0	0	0	54110 ICE CREAM SOCIAL FUNDRAISER	6,000	6,000	6,000
0	0	0	54150 ARMORY DONATIONS	5,000	5,000	5,000
0	0	0	54153 ARMORY RENTAL	4,500	4,500	4,500
0	0	0	54165 MISC FUNDRAISER EVENTS	2,000	2,000	2,000
0	0	0	TOTAL REVENUE	287,500	287,500	287,500
EXPENDITURES						
MATERIALS AND SERVICES						
0	0	0	71000 CONTRACTUAL SERVICES	55,000	55,000	55,000
0	0	0	73600 MISC EXPENSES AND SUPPLIES	1,000	1,000	1,000
0	0	0	73603 MISC FUNDRAISER EVENTS EXP	1,000	1,000	1,000
0	0	0	73605 MAYOR'S BALL EXPENSE	25,000	25,000	25,000
0	0	0	73610 ICE CREAM SOCIAL EXPENSE	3,500	3,500	3,500
0	0	0	73615 ARMORY NEWSLETTER	10,000	10,000	10,000
0	0	0	TOTAL MATERIALS AND SERVICES	95,500	95,500	95,500
CAPITAL OUTLAY						
0	0	0	83000 BUILDINGS & IMPROVEMENTS	180,000	180,000	180,000
0	0	0	TOTAL CAPITAL OUTLAY	180,000	180,000	180,000
0	0	0	99000 CONTINGENCY	12,000	12,000	12,000
0	0	0	TOTAL EXPENDITURES	287,500	287,500	287,500