

CITY OF COTTAGE GROVE,
OREGON

2022-2023

ADOPTED BUDGET





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City of Cottage Grove, Oregon

2022-23 Annual Budget

Budget Committee Members

City Council

Jeff Gowing, Mayor

Mike Fleck, Council President

Candace Solesbee

Jon Stinnett

Greg Ervin

Kenneth Roberts

Chalice Savage

Citizen Members

Armando Garza Sr.

Danny Solesbee

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





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May 4, 2022

Dear Mayor, City Council and Budget Committee:

Attached is the 2022-23 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.

The world has certainly changed from last year at this time when we were preparing the current budget. We have actually pulled out of the pandemic and begun some recovery. The American Rescue Plan Act (ARPA), the largest Federal distribution of funds to State and local governments in recent history, has occurred. We are facing the highest inflation numbers in 40 years, employee shortages, supply chain challenges, product and material shortages, political and social divisiveness and international conflicts.

Amongst this current community and global environment we have prepared the 2022-23 Proposed Budget. The budget is our attempt to address the needs of the community while facing the uncertain impacts of everything that is going on in the world today and what might occur in the next 14 months.

The 2022-23 Proposed Budget for the City of Cottage Grove is, as required by Oregon Law, a balanced budget. Expenditures for all funds total \$46,258,251, an increase of \$5,937,508 from the 2021-22 Adopted Budget. When the ARPA carryover and 2nd tranche (\$2,326,005); Community Center remaining roof loan proceeds (\$830,000) and half of the Main Street EDA Grant funds (\$2,500,000) are subtracted out of the Proposed Budget the total 2022-23 Proposed Budget is \$40,602,246 which is only a \$281,503 increase over the 2021-22 Adopted Budget.

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 \$5,300,000 of collectible tax revenue, \$251,000 more than the budgeted property tax revenue in 2021-22. Again this year we have budgeted only a 2% taxable value increase. We believe this is very conservative and will see the full 3% assessed value increase because assessed value is about 52.8% of the Real Market Value.

A major piece of this Proposed Budget is the use of the ARPA funds. Some ARPA funds have been used in the current budget. The remainder of the first tranche and second tranche that will be coming in September 2022 have been accounted for in the 2022-23 Proposed Budget. The City of Cottage Grove elected to take the “Standard Allowance” which dramatically simplifies the recordkeeping and use of the ARPA funds for small jurisdictions. By electing the “Standard Allowance” Cottage Grove can spend the entire ARPA fund allotment on any service traditionally provided by a government with a few specific limitations. The funds must be spent or obligated prior to December 31, 2024. The City’s ARPA funds have been spent (in the current budget) and are budgeted (in the 2022-23 Proposed Budget) as follows:

1st Tranche Received \$1,162,216.33 during 2021-22 Budget

\$ 4,372.50	Rewiring City Council Chambers – Virtual Meetings
\$ 297,839.97	Douglas Avenue Property Purchase/Cleanup
\$ 67,375	Economic Dev. Tourism Promotion – Entrepreneur Development
\$ 110,493.57	COVID Response Expenditures
\$ 480,081.04	TOTAL EXPENDED FY 2021-22
\$ 682,135.29	ARPA Carryover for FY 2022-23

2022-23 Proposed Budget ARPA Funds

ARPA Carryover from 2021-22	\$ 682,135.29
ARPA Estimated 2 nd Tranche	\$ 1,162,220.00
TOTAL FY 2022-23 ARPA Funds	\$ 1,844,355.29

\$ 25,000	Mobile Crisis Response – GF Police Department
\$ 21,000	Entrepreneurial Development Program – GF Development
\$ 200,000	Shelter Operation – GF Community Services
\$ 27,000	Symphony – GF Community Promotions
\$ 100,000	Federally Qualified Health Clinic – GF Community Promotions
\$ 210,870	Transfer to Street SDC from GF – HWY 99 & R Property
\$ 200,000	Transfer to Wastewater Reserve from GF – Biosolids Dryer design and Effluent pipe installation
\$ 140,000	Transfer to Water Reserve from GF – Water Reservoir Design
\$ 400,000	Transfer to Streets Fund from GF – Street Construction
\$ 320,000	Transfer to General Reserve from GF - \$70,000 Saddle Span; \$200,000 Broadband Improvements; \$50,000 Low Income Housing
\$ 1,643,870.00	TOTAL EXPENDED FY 2022-23
\$ 200,485.29	ARPA Carryover in FY 2022-23 GF Contingency for Shelter operation 2023-24

Even while using the “Standard Allowance” the above uses of the ARPA Funds attempts to meet the general guidelines for uses of ARPA Funds. The broad range of uses will have a wide impact across the entire community and invest in services or projects for years to come.

We are excited to report that the Transient Room Tax revenues have returned to levels similar or better than before the pandemic even with the loss of the rooms from the Village Green. Revenues for rentals at the Community Center and Armory will be increasing as the buildings have opened back up. The Community Center rentals should be increasing even more when Senior and Disability Services moves into their remodeled space and the Reception Hall becomes available for rent again.

Personnel

We have included a new Personnel Services Summary that is meant to meet guidelines from the Government Finance Officers Association and it is easier to see changes in personnel. Personnel numbers overall remain the same. This Proposed Budget adds a Police Officer. In the current budget we have 4 additional dispatcher positions. This Proposed Budget removes three of the positions that were not filled but were in place in case we were able to contract with the Fire District for dispatch services. The District contracted again with Central Lane, so we removed three of the positions from the Proposed Budget and will continue to pursue the opportunity to improve 911 service to our community by returning 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 would have a dramatic impact on reducing response times and improving safety to members of the community.

The other significant change has been in Engineering in Public Works. Our City Engineer has retired and is working part-time on completing a few projects. Filling the positions within Engineering has proven very difficult and rather than continuing to have an understaffed division we have contracted with private engineering firms to perform the needed tasks. Our remaining Engineering staff, the Civil Engineer has taken a job with Lane County. We have reorganized Engineering to have an Engineering Project Coordinator position to coordinate the contracts. Within Public Works other adjustments have been made to positions shifting functions and responsibilities among staff.

The 2022-23 Proposed Budget has a new Personnel Services expense for the Oregon Paid Family and Medical Leave Insurance program (PFMLI). The 2019 Legislature passed House Bill 2005 creating the Paid Family and Medical Leave Insurance program that requires all employers with 25 or more employees to participate in funding the program to provide paid family and medical leave. Employers must contribute up to one percent of wages (40% by employers, 60% by employees) to the program beginning January 2023. The contributions will then fund up to 12 weeks and up to 100% paid Family and Medical Leave (limited to \$1,300/week) beginning in September, 2023. This is in addition to wages already increasing as a result of inflation. Additionally we had to increase wages for our minimum wage employees as well as adjust the salary schedule by removing the lowest range from the schedule since it would be lower than the next minimum wage increase.

We are currently in negotiation with two bargaining units and the budget may need to be adjusted to reflect the completion of the negotiations.

Utilities

Water, Wastewater and Storm Drain funds are being hit exceptionally hard by the current economy. We are continuing to follow the Five-Year Financial Plan but the plan of no increase in Water and Storm Drain rates will not be sustainable beyond the 2022-23 Budget unless there are drastic changes in the economy. Increased costs have eaten away the carryover creating low transfers to reserves (in the case of the Storm Drain Fund, the transfer to reserve is \$0) and dangerously low contingencies. The Five-Year plan does include a 12% Wastewater Rate increase. The costs for fuel, energy, chemicals and even delivery charges have had a major impact. We have asked FCS Group to review the plan and the current economic conditions to provide information on the directions to take before the 2023-24 Budget year.

The current 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, 2022:

	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	\$10.16	\$5.22	\$23.88	\$4.94	\$7.53
Proposed Rates	\$17.98	\$1.42	\$25.70	\$11.38	\$5.85	\$26.75	\$4.94	\$7.53

The proposed rates result in a \$7.23 monthly increase for residential users using 5,000 gallons of water, with a typically sized meter, a 5.9% increase for the total City Utility bill. The total increase will vary based on meter size, consumption and type of use.

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.

There is nothing secret about the budget and we want to make this \$46 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.

QUALITY OF LIFE

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.

- 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.

INFRASTRUCTURE

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.

- 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.

PUBLIC SAFETY

Ensure a safe and secure community.

- 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.

ECONOMIC DEVELOPMENT

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.

- 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.

GOVERNANCE

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.

- 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.



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 2022-23 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.

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 2022-23.

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 2022-23. They are as follows:

In the General Fund, the Budget Committee reduced the General Fund, Community Services Department by \$200,000, not funding the Contractual Services-ARPA line item, the Community Promotions Department was reduced by \$100,000, not funding the Federally Qualified Health Clinic line item, and the Internal Support Department was reduced \$210,870, not funding the transfer to the Street SDC Fund. The General Fund, Internal Support Department, contingency line item, was increased by the same amount, with a net zero increase or reduction in the General Fund overall.

In the Street System Development Charges Fund, the revenue transfer in from the General Fund was reduced by \$210,870 reflecting the above change in the General Fund budget; the Capital Outlay line item for Buildings and Improvements was reduced by the same amount. The total amount of the Street System Development Charges Fund was reduced to \$1,600,000.

	Proposed	Approved	Difference
General Fund			
Community Services Department			
Materials and Services			
Contractual Services - ARPA	\$ 200,000	\$ -	\$ (200,000)
Community Promotions Department			
Materials and Services			
Federally Qualified Health Clinic	\$ 100,000	\$ -	\$ (100,000)
Internal Support Department			
Transfer to Street SDC Fund	\$ 210,870	\$ -	\$ (210,870)
Contingency	\$ 473,130	\$ 984,000	\$ 510,870
Total Fund	<u>\$ 14,018,550</u>	<u>\$ 14,018,550</u>	<u>\$ -</u>
Street System Development Charges Fund			
Revenue			
Transfer from General Fund	\$ 210,870	\$ -	\$ (210,870)
Expenditures			
Capital Outlay			
Buildings & Improvements	\$ 1,410,870	\$ 1,200,000	\$ (210,870)
Total Fund	<u>\$ 1,810,870</u>	<u>\$ 1,600,000</u>	<u>\$ (210,870.00)</u>

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 2022-23. They are as follows:

In the General Fund, the Budget Committee reduced the General Fund, Community Services Department by \$200,000, not funding the Contractual Services-ARPA line item, the Community Promotions Department was reduced by \$100,000, not funding the Federally Qualified Health Clinic line item, and the Internal Support Department was reduced \$210,870, not funding the transfer to the Street SDC Fund. The General Fund, Internal Support Department, contingency line item, was increased by the same amount, with a net zero increase or reduction in the General Fund overall.

In the Street System Development Charges Fund, the revenue transfer in from the General Fund was reduced by \$210,870 reflecting the above change in the General Fund budget; the Capital Outlay line item for Buildings and Improvements was reduced by the same amount. The total amount of the Street System Development Charges Fund was reduced to \$1,600,000.

	Proposed	Approved	Difference
General Fund			
Community Services Department			
Materials and Services			
Contractual Services - ARPA	\$ 200,000	\$ -	\$ (200,000)
Community Promotions Department			
Materials and Services			
Federally Qualified Health Clinic	\$ 100,000	\$ -	\$ (100,000)
Internal Support Department			
Transfer to Street SDC Fund	\$ 210,870	\$ -	\$ (210,870)
Contingency	\$ 473,130	\$ 984,000	\$ 510,870
Total Fund	<u>\$ 14,018,550</u>	<u>\$ 14,018,550</u>	<u>\$ -</u>
Street System Development Charges Fund			
Revenue			
Transfer from General Fund	\$ 210,870	\$ -	\$ (210,870)
Expenditures			
Capital Outlay			
Buildings & Improvements	\$ 1,410,870	\$ 1,200,000	\$ (210,870)
Total Fund	<u>\$ 1,810,870</u>	<u>\$ 1,600,000</u>	<u>\$ (210,870)</u>

**CITY COUNCIL CHANGES
FROM APPROVED TO ADOPTED
FROM PROPOSED TO APPROVED 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 -- the Investigation Expense line item in the Police Operations was increased by \$2,600 to acquire access to an online pawn look-up tool and the Fuel and Lubricants expense line was increased by \$32,000 to allow for fuel price increases since the budget was approved; the Fuel and Lubricants line item in the Development Department was increased by \$800; established a Contractual Services line item in the Youth Peer Court Department in the amount of \$4,800 allowing for assessment services of youth who receive citations for offenses such as disorderly conduct, criminal mischief, harassment, vandalism, etcetera; in the Community Promotions Department a line item in the amount of \$3,000 was created to support the South Valley Farmers Market efforts to provide benefits to low-income members of the community and a line item in the amount of \$1,870 was created to support the Singing Creek Educational Center to fund one-week of a two-week Pueblos Summer Camp, held at the Snap House. These increases were offset with a reduction to the contingency line item in Internal Support Department.

Special Trust Fund -- A Skate Park donation revenue line item of \$5,000 and a correlating expense line item for the Skate Park in the amount of \$5,000 were created. This will allow for the collection of funds to pursue a plan to improve the skate park, as well as accomplish the improvements. The Unhoused Needs Expense line item increased by \$98 and the K-9 Expense item was increased \$2 to offset a \$100 increase in revenue.

Building Inspection Fund -- The Fuel and Lubricant line item increased by \$1,500. The increase was offset with a reduction to the contingency line item.

Street Fund -- Street Fund Street Maintenance Department and the Street Sweeping Department were increased in the Fuel and Lubricants line items by \$15,500 and \$15,000 respectively, for the same reason as previously stated. The increase was offset with a reduction to the contingency line item in the Internal Support Department.

Water Fund - - The Fuel and Lubricants line item in the Water Distribution Department was increased by \$15,500. The increase was offset with a reduction to the contingency line item in the Internal Support Department.

Wastewater Fund --The Fuel and Lubricants line items in the Wastewater Collection Department was increased by \$7,600 and in the Middlefield Golf Course Department by \$7,800. The increases to be offset with a reduction to the contingency line item in the Internal Support Department.

Industrial Park Fund - - An interfund loan from the Storm Drain Reserve Fund to the Industrial Park Fund, was approved by the City Council in the event sale proceeds are not received during fiscal year 21-22 as originally anticipated. A line item to transfer the loan repayment to the Storm Drain Reserve Fund was created, in the amount of \$85,000. The loan payment transfer was offset with additional revenue in the same amount, to recognize proceeds from the Sale of Property.

	Approved	Adopted	Difference
General Fund			
Police Department			
Materials and Services			
Fuel and Lubricants	\$ 48,000	\$ 80,000.00	\$ 32,000
Investigation Expense	\$ 6,500	\$ 9,100.00	\$ 2,600
Youth Peer Court Department			
Materials and Services			
Contractual Services	\$ -	\$ 4,800	\$ 4,800
Development Department			
Materials and Services			
Fuel and Lubricants	\$ 500	\$ 1,300.00	\$ 800
Community Promotions Department			
Materials and Services			
South Valley Farmers Market	\$ -	\$ 3,000	\$ 3,000
Singing Creek Education Center	\$ -	\$ 1,870	\$ 1,870
Internal Support Department			
Contingency	\$ 984,000	\$ 938,930	\$ (45,070)
Total Fund	<u>\$ 14,018,550</u>	<u>\$ 14,018,550</u>	<u>\$ -</u>

Street Fund			
Street Maintenance Department			
Materials and Services			
Fuel and Lubricants	\$ 8,500	\$ 24,000	\$ 15,500
Street Sweeping Department			
Materials and Services			
Fuel and Lubricants	\$ 4,000	\$ 19,000	\$ 15,000
Internal Support Department			
Contingency	\$ 179,470	\$ 149,870	\$ (30,500)
Total Fund	<u>\$ 14,018,550</u>	<u>\$ 14,018,550</u>	<u>\$ -</u>

Fuel and Lubricants	\$ 2,000	\$ 3,500.00	\$ 1,500
Contingency	\$ 151,425	\$ 149,925	\$ (1,500)
Total Fund	<u>\$ 1,037,500</u>	<u>\$ 1,037,500</u>	<u>\$ -</u>

Water Fund

Water Distribution Department

Materials and Services

Fuel and Lubricants	\$ 17,500	\$ 33,000	\$ 15,500
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Internal Support Department

Contingency	\$ 196,235	\$ 180,735.00	\$ (15,500)
Total Fund	<u>\$ 2,536,400</u>	<u>\$ 2,536,400</u>	<u>\$ -</u>

Wastewater Fund

Wastewater Collection Department

Materials and Services

Fuel and Lubricants	\$ 15,000	\$ 22,600	\$ 7,600
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Middlefield Golf Course Department

Materials and Services

Fuel and Lubricants	\$ 20,000	\$ 27,800	\$ 7,800
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Transfers To

Transfer to Wastewater Res. Fnd	\$ 100,000	\$ 84,600.00	\$ (15,400)
Total Fund	<u>\$ 2,885,145</u>	<u>\$ 2,885,145</u>	<u>\$ -</u>

Industrial Park Operation Fund

Revenue

Sale of Property	\$ 775,000	\$ 860,000	\$ 85,000
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Expenditures

Transfer to Storm Drain Reserve	\$ -	\$ 85,000	\$ 85,000
Total Fund	<u>\$ 800,100</u>	<u>\$ 885,100</u>	<u>\$ 85,000</u>

	Approved	Adopted	Difference
Storm Drain Reserve Fund			
Revenue			
Carryover	\$ 1,900,000	\$ 1,815,000	\$ (85,000)
Industrial Park Loan Repayment	\$ -	\$ 85,000	\$ 85,000
Total Fund	<u>\$ 2,506,000</u>	<u>\$ 2,506,000</u>	<u>\$ -</u>
Special Trusts Fund			
Revenue			
Skate Park Donation	\$ -	\$ 5,000	\$ 5,000
Unhoused Needs	\$ -	\$ 100	\$ 100
Total Fund	<u>\$ 68,546</u>	<u>\$ 73,646</u>	<u>\$ 5,100</u>
Expenditures			
K-9 Expense	\$ 10,553	\$ 10,555	\$ 2
Skate Park Expense	\$ -	\$ 5,000	\$ 5,000
Unhoused Needs Expense	\$ 1,742	\$ 1,840	\$ 98
Total Fund	<u>\$ 68,546</u>	<u>\$ 73,646</u>	<u>\$ 5,100</u>



City at a Glance

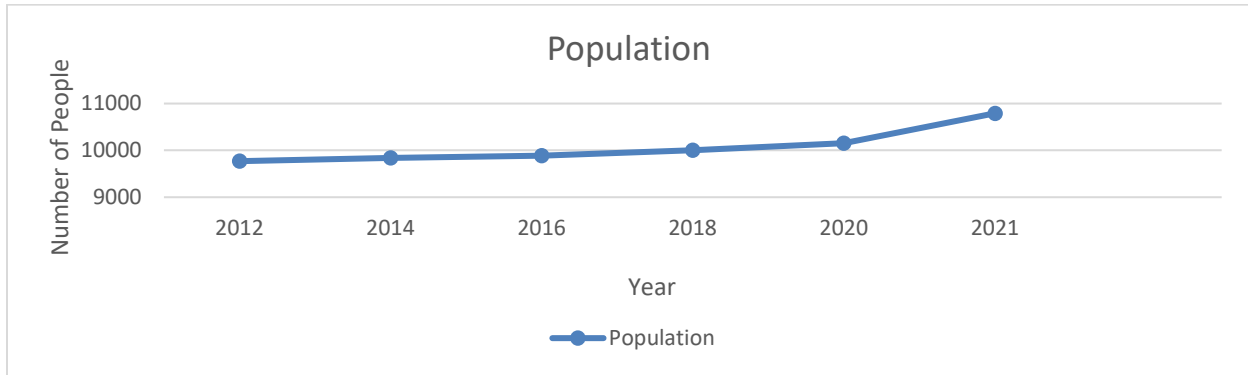
Cottage Grove, the “Covered Bridge Capital of Oregon”, is located in the middle of western Oregon and in the southern part of Lane County, on Interstate 5 (I-5). Cottage Grove is approximately 20 miles from the major population center of the area (Eugene-Springfield) and serves an immediate labor market 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 2021 certified population estimate from Portland State University for Cottage Grove was 10,792. Between 2010 and 2021, the population of Cottage Grove grew by 11.2% which is somewhat slower (0.60 slower) than the population increase in Oregon.



The average high temperature in July and August is 82 degrees with the average low on summer nights in the 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 14
- Sworn Officers 18
- 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 30.89

¹ Retrieved April 27, 2022 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

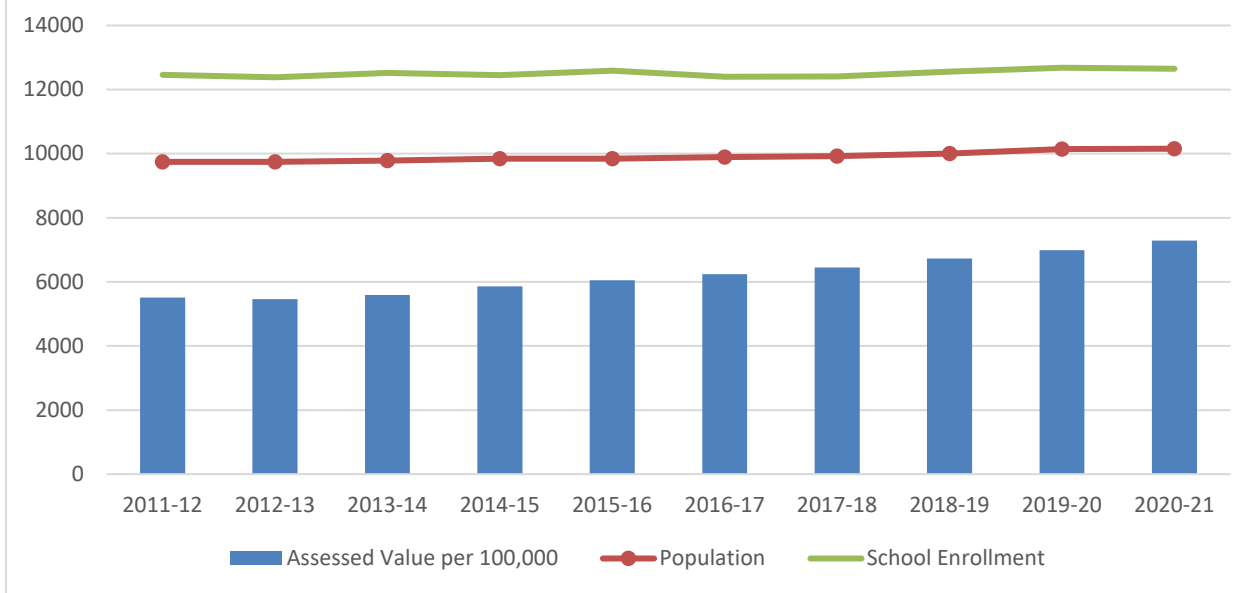
➤ Elementary Schools	2
➤ Elementary School Instructors	57
➤ Secondary Schools	2
➤ Secondary School Instructors	73
➤ Charter Schools	1

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	\$ 210,960	\$ 11,509,806	\$ 18,423,536	62.47%
2	MAGNOLIA GARDENS	4	\$ 148,435	\$ 8,059,353	\$ 11,782,007	68.40%
3	STARFIRE LUMBER CO	7	\$ 107,571	\$ 6,198,038	\$ 6,724,976	92.16%
4	CHARTER COMMUNICATIONS	1	\$ 99,058	\$ 5,795,000	\$ 5,795,000	100.00%
5	BORG COMMERCIAL PROPERTIES LLC	1	\$ 97,360	\$ 5,538,680	\$ 5,717,567	96.87%
6	PACIFICORP (PP&L)	3	\$ 96,596	\$ 5,651,000	\$ 5,651,000	100.00%
7	GREGORY A FALK LLC	1	\$ 95,555	\$ 5,213,381	\$ 8,413,157	61.97%
8	ACI REAL ESTATE SPE	1	\$ 93,458	\$ 5,293,619	\$ 5,491,650	96.39%
9	PAPF COTTAGE GROVE LLC	3	\$ 76,568	\$ 4,177,490	\$ 5,275,319	79.19%
10	NORTHWEST NATURAL GAS COMPANY	2	\$ 76,135	\$ 4,454,000	\$ 4,454,000	100.00%

² Retrieved April 27, 2022 from <http://www.lanecounty.org/Departments/AssessmentandTaxation/pages/default.aspx>.

Assessed Value/Population/School Enrollment 10 Year Statistics



PETTY CASH

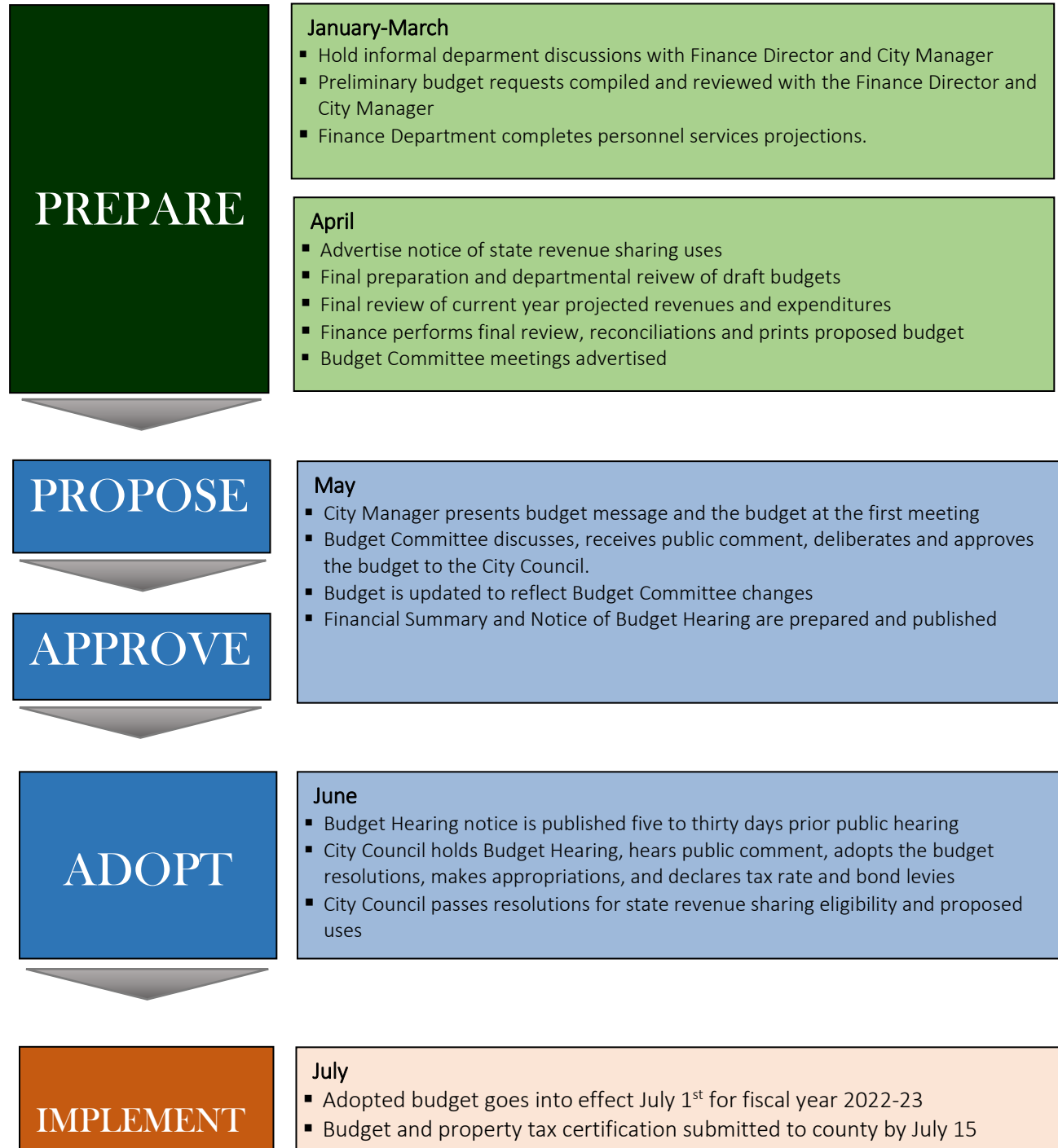
Oregon Revised Statute 294.465 requires that each petty cash account and the amount thereof be listed in the budget document. The City of Cottage Grove has the following cash accounts:

Finance	\$750
Finance Petty Cash	\$200
Library	\$ 40
Police Department Petty Cash	\$100
Golf Course	\$1,400



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 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% 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.