

# ***CITY OF MILL CITY***

## ***BUDGET MESSAGE***

### ***for FY 2021-2022***

The proposed City of Mill City budget for FY 2021-2022 is \$ 9,360,822. The budget will stay within the property tax limitations in the Oregon Constitution and the assessed value limits imposed by Measure 50 in 1997. The current City tax rate is \$4.1578. Property tax revenue is calculated by multiplying the tax rate by the taxable assessed value in the City. The property tax levy in FY 2020-2021 was \$447,130 with an estimated distribution to the City of approximately \$417,619.

**Table 1  
Property Tax Information**

<b>County</b>	<b>Measure 50 Taxable Value</b>	<b>Permanent Tax Rate</b>	<b>Taxes Levied</b>	<b>Estimated Collection (93.5%)</b>
<b>FY 2020-2021</b>				
Linn	83,960,296	4.1578	\$ 349,004	\$ 325,969
Marion	23,600,445	4.1578	\$ 98,126	\$ 91,650
	<b>\$ 107,560,741</b>		<b>\$ 447,130</b>	<b>\$ 417,619</b>
<b>FY 2021-2022 (Estimated)</b>				
Linn	86,059,303	4.1578	\$ 357,817	\$ 336,191
Marion	21,240,401	4.1578	\$ 88,313	\$ 82,573
<b>Total</b>	<b>\$ 107,299,704</b>		<b>\$ 446,131</b>	<b>\$ 418,764</b>

We conservatively estimate the property tax distribution will not change in 2021-2022. The Beachie Creek fire destroyed 20 homes and Kelly Lumber Company. The loss of these homes has been partially offset by the construction of three new homes in the Village at Santiam Pointe Subdivision. Even so, the staff estimates the assessed value of properties on the Marion County portion of Mill City will decline by 10%.

The value of properties in Linn County will increase. Under Measure 50, the assessed value of an individual property within the City may increase by no more than 3% per year. The City also generates new tax revenues from the added value of new construction. In 2020 the City issued building permits for six new single-family dwelling units, two replacement single-family dwellings and one duplex, as well as miscellaneous permits. If construction is completed by July 2021, the new value will be added to the FY 2021-2022 tax rolls. The proposed budget conservatively assumes values in Linn County will increase by 3%.

The construction of the new Santiam Jr/Sr High campus and the expansion at the Santiam Elementary School highlighted building activity in 2020 and 2021. As public buildings, the value of the new construction does not enhance the City’s taxable valuation. Residential and commercial building permit activity is expected to continue at a steady pace as new homes are constructed and several of the fire destroyed homes are replaced. Building permit revenues in FY 2021-2022 are expected to be slightly lower than in the past two years.

Under Measure 50 the Budget Committee is required to set a property tax rate to be imposed on real property within the City. The City’s permanent rate is \$4.1578. This rate is recommended for FY 2021-2022.

## General Fund

The financial position of the **General Fund** is solid. The unrestricted General Fund beginning fund balance will be approximately \$400,000. In addition, an \$875,000 insurance payment for the Beachie Creek wildfire losses to the Reid House, Cedar Creek Bridge and miscellaneous other public facilities has been received by the City and will be allocated to other funds in this budget.

Table 2 shows the **General Fund** ending fund balance has steadily increased since its low of \$145,927 on June 30, 2015. The July 1, 2020 beginning fund balance was \$346,940. We estimate the June 30, 2021 unrestricted balance will be \$396,482. This past year has demonstrated major disasters and emergencies can affect any City. I strongly recommend the City keep a \$300,000+ reserve in the General Fund. The proposed budget increases the total set aside for contingencies and unappropriated working capital from \$160,000 to \$220,000 to handle emergencies and provide a 4-5-month cash reserve to pay for operating expenses from July to November, before property taxes are received.

Table 2  
**General Fund  
Ending Fund Balance**

Fiscal Year	Beginning General Fund Balance	Ending General Fund Balance	Annual Increase (Decrease)
2012-13	\$ 202,444	\$ 186,044	\$ (16,400)
2013-14	\$ 186,044	\$ 186,846	\$ 802
2014-15	\$ 186,846	\$ 145,927	\$ (40,919)
2015-16	\$ 145,927	\$ 157,897	\$ 11,970
2016-17	\$ 157,897	\$ 195,573	\$ 37,676
2017-18	\$ 195,573	\$ 232,649	\$ 37,076
2018-19	\$ 232,649	\$ 276,803	\$ 44,154
2019-20	\$ 276,803	\$ 346,490	\$ 70,137
2020-21 (estimate)	\$ 346,490	\$ 396,482	\$ 49,992

## Utility Funds

Table 3 tracks the beginning fund balance in the City’s three utility funds: *Street Fund* (Fund 20), *Water Fund* (Fund 30) and *Sewer Fund* (Fund 40).

Table 3  
**Utility Funds**  
**7-Year History -- Fund Balances**

#	Fund	Balance July 1, 2015	Balance July 1, 2016	Balance July 1, 2017	Balance July 1, 2018	Balance July 1 2019	Balance July 1 2020	Balance July 1 2021 Estimate	Notes On 2021 Fund Balances
20	Street Fund	176,487	176,391	190,871	184,561	207,299	115,380	82,187	Declining – SW Cedar & School projects
30	Water Fund	96,083	88,152	132,305	136,545	129,767	188,454	150,268	Stable. Down due to timing of SDWRLF reimbursements
40	Sewer Fund	101,081	67,140	85,980	107,485	165,701	143,527	122,116	Pre-Design Report & WWTF Upgrade Needed

### STREET FUND

The *Street Fund* is used to pay for personnel, routine operations and maintenance costs to maintain the City-owned streets and rights-of-way. The *Street Fund* balance has declined over the past two years because the Budget Committee and City Council agreed to transfer \$237,000 to the *Street Reserve Fund* to pay for street improvement projects. The completion of these transfers and construction of the street and drainage improvements near the Santiam Canyon Schools is reflected in the \$82,000+ fund balance.

During the past five years, the City has transferred almost \$281,000 to the *Street Reserve Fund* for street improvement projects, \$198,500 to the *Railroad Bridge Maintenance & Restoration Fund* for the Railroad Bridge restoration and \$55,000 to the *Equipment Reserve Fund* for vehicle replacements and public works equipment. The proposed budget recommends transfers of \$40,000 to the *Street Reserve Fund* and \$15,000 to the *Equipment Reserve Fund*.

### WATER FUND

The City uses water revenues to pay for personnel, water system operations and debt service. The City completed a water rate study in 2018-19 and adopted rate increases; a 4% rate increase per year for five years. As a result, annual revenues have increased and the *Water Fund* balance has stabilized. In 2021, customers will be able to make on-line credit card, debit card and direct withdrawal payments for utility bills. A transaction fee will be added to cover the City’s actual costs for offering this service.

In December, Business Oregon awarded Mill City a \$2.5 million grant and loan package from its Safe Drinking Water Revolving Loan Fund to build 7,000 lineal feet of new water lines and install radio read water meters. Public Works Supervisor Russ Foltz will spend additional time working with the City Engineer on the

design of the project and inspecting construction. A larger share of his salary and benefits will come from the water fund in the next two budget years.

The proposed Water Fund budget includes a \$50,000 transfer to the **Water System Reserve Fund** and a \$10,000 transfer to the **Equipment Reserve Fund**.

#### **SEWER FUND**

The **Sewer Fund** balance is expected to decline from \$143,527 to \$122,000+/- by June 30, 2021. The City uses sewer revenues to pay for personnel, wastewater system operations and debt service. Removal of sludge from the wastewater treatment facility (WWTF) and interceptor tanks on private properties is largest annual expense in the Sewer Fund. Regular pumping of residential and commercial r interceptor tanks (every 7-10 years) is a high priority. The City is catching up and now pumps 80+/- interceptor tanks each year. In 2021 Carl's Septic pumped out the large sludge collection tank at the WWTF; this is scheduled once every 4-6 years.

The proposed **Sewer Fund** budget continues to fund routine system maintenance and residential & commercial interceptor tank pumping. The proposed budget includes a \$10,000 transfer to **Equipment Reserve Fund** to replace vehicles and equipment and a \$163,000 transfer to the **Bonded Debt Fund** to make its annual debt service payment. No transfer is planned to the **Sewer Reserve Fund**.

The City has not set aside reserves to pay for major repairs or capital improvements to the WWTF. As part of the North Santiam Sewer Authority's feasibility study for a regional sewer system, engineers at Keller Associates will complete a review of the WWTF capacity by the end of April 2021. Their initial findings conclude the wastewater plant on Remine Rd. is at 95% capacity. Keller estimates the system can accommodate 40-60 additional connections before summer flows into the treatment plant exceed hydraulic loading capacity.

*The City has started working with Keller Associates, Marion County and DEQ to plan for repairs and short-term improvements to expand the capacity of the WWTF and accommodate growth from 2021 to 2030. The budget includes funds to pay for a Pre-Design Report, as required by DEQ and funding agencies. After completion of the Pre-Design report, the City will need to prepare an updated Sewer Rate Study and adopt rate increases. The sewer rate study is required to ensure the City can pay for annual operations, pay for debt service and set aside funds for equipment replacement and capital improvements.*

## Special Purpose Funds

The funds listed in Table 4 are Special Purpose Funds. Each fund was created to set-aside money for a special project or to accumulate reserves for future capital improvements. The Reserve Funds have been consolidated into one overall Fund 70 and are differentiated by their specific category numbers (71-75).

Table 4  
**Other Funds**  
**7-Year History -- Fund Balances**

#	Fund	Balance July 1, 2015	Balance July 1, 2016	Balance July 1, 2017	Balance July 1, 2018	Balance July 1 2019	Balance July 1 2020	Balance July 1 2021 Estimate	Notes On 2021 Fund Balances
50	RR Bridge		166,893	259,180	290,322	328,167	353,888	383,913	\$400,000 TIGER Grant Match
55	Skate Park		0	50,479	50,059	42,249	42,307	42,626	
60	Canyon Journeys	115,273	47,828	53,757	54,632	56,188	57,597	11,093	Mill City Falls Park parking lot in 2020
65	Housing Rehab	101,220	150,723	112,851	130,025	176,418	236,183	63,182	\$200,000 Loan to Storm Drainage Fund
70-71	Gen'l Facilities	80,858	596,735	541,078	515,542	500,389	156,493	212,307	Reid Endowment
70-72	Water Reserve	196,640	216,747	251,698	288,408	313,634	433,928	343,863	SDWRLF Loan in 2021
70-73	Street Reserve	129,130	145,502	208,177	271,454	366,598	224,785	239,657	SW 2 <sup>nd</sup> in 2021
70-74	Sewer Reserve	71,610	79,615	132,216	145,901	185,135	176,240	141,204	
70-75	Equip Reserve	94,579	89,402	87,022	88,465	107,316	156,723	149,550	2 Pickups in 2020-21
70-76	Storm Reserve							50,387	School Storm Sewers
80	Bonded Debt	113,565	113,893	115,144	134,792	135,030	135,392	127,050	

Balances in the Special Purpose funds generally increased from 2015-2020, as the Budget Committee and City Council set aside \$\$ for special projects. In the past two years, the City has constructed several projects. The City built a new Public Works Shop, partnered with Pacific Power and the Erdmans to construct a new parking lot at Mill City Falls Park, constructed street and storm drainage improvements in partnership with the Santiam Canyon School District and started renovations on the Reid House before it was destroyed by the Beachie Creek wildfire.

### *RAILROAD BRIDGE FUND (FUND 50)*

The **Railroad Bridge Fund** will be used in 2020 and 2021 to provide the City's \$400,000 match for the U. S. Department of Transportation TIGER grant and the restoration of the historic railroad bridge (pedestrian trail), the 1<sup>st</sup> Avenue vehicle bridge and the reconstruction of the SW Broadway Avenue. The exact amount of the City's match to the project will be determined after construction is completed. Any unspent funds can be retained to pay for annual maintenance and repairs to the bridge, pedestrian trail, interpretive signs and lighting.

*CANYON JOURNEYS TRAIL FUND (FUND 60)*

The City will transfer \$140,000 from the CCIS Beachie Creek fire insurance settlement into the Canyon Journeys Trail fund to pay for the design and replacement of the Cedar Creek pedestrian bridge at the east end of the Recreational Trail along the North Santiam River. The bridge design will be consistent with the prior bridge design.

*GENERAL FACILITIES RESERVE FUND (FUND 70-71)*

The **General Facilities Fund** has been used to pay for the Reid House restoration and maintenance as and for the construction of a new Public Works shop building at the City's SE Kingwood Avenue well site.

At the beginning of the year, the City will have a balance of \$182,000 remaining from Reid Endowment distributions. Another \$90,000 to \$95,000 will be received in July, 2021. In addition, the proposed budget shows a \$715,000 transfer from the CCIS Beachie Creek fire insurance settlement into this fund to cover the Reid House fire loss. The City Council proposes both the fire insurance funds and OCF endowment distributions be used consistent with the wishes of Josephine Reid for the benefit of Mill City's residents, including improvements to the community's parks and public facilities. The proposed budget allocates \$250,000 of endowment funds for land acquisition and park improvements and sets aside \$723,899 for future projects. The fund can be used to provide matching funds for park improvement grants.

*WATER RESERVE FUND (FUND 70-72)*

The **Water Reserve Fund** is used to finance major water system repairs and improvements. The \$2.6 million Safe Drinking Water project will be tracked here, over 3 budget years. In addition, we propose Water SDC funds be used to reimburse the developer for the installation of a 12" water main on SE Kingwood Avenue from the well site to SE 6<sup>th</sup> Avenue, to replace old, undersized water lines on the south side of the street. This project is listed as a "qualified public improvement" in the City's Water SDC report, with the City funding 100% of the water line replacement.

In the Spring 2020, the City completed the construction of a new public works shop building at the City's SE Kingwood Avenue well site. The City still has a generator electrical connection, landscaping, fencing and trees to complete before that project is closed out. The final work will be paid for out of the **Water Reserve Fund**.

*STREET RESERVE FUND (FUND 70-73)*

The **Street Reserve Fund** is used to pay for street reconstruction and overlay projects. During the past year, the Santiam Canyon School District reconstructed 4<sup>th</sup> Avenue and SW Cedar Street adjacent to the school sites. The City obtained a \$100,000 Small Cities Allotment (SCA) grant from the Oregon Department of Transportation to repair and overlay SW 2<sup>nd</sup> Street from SW Broadway to Evergreen Street. The project budget is \$180,000. Work will be completed in Summer or Fall 2021.

The City will apply for another \$100,000 SCA grant this summer. Streets being considered are SW Evergreen (1<sup>st</sup> Avenue to 4<sup>th</sup> Avenue), SW 4<sup>th</sup> (Broadway to Cedar), SW Ivy (1<sup>st</sup> to SW Hall) and SW Cedar (1<sup>st</sup>-2<sup>nd</sup>). Funds reserved will be used to supplement any SCA grant received.

#### *SEWER RESERVE FUND (FUND 70-74)*

The ***Sewer Reserve Fund*** is used for debt service and to make repair/improvements to the City's wastewater treatment plant, collection system and sewer pump stations. SDC revenues have been tracked and allocated to make debt service payments. An \$80,000 transfer from the ***General Fund*** is proposed to pay for a Pre-Design Report and prepare grant/loan applications to state and federal agencies for needed WWTF improvements. \$90,000 is budgeted repair at the City's pump stations or at the wastewater treatment plant, but this amount is insufficient for a significant construction project. Funds may also be used as a grant match for improvements to the WWTF.

#### *EQUIPMENT RESERVE FUND (FUND 70-75)*

The ***Equipment Reserve Fund*** balance remained at \$150,000+/- . The City replaced two pickup trucks this year. The balance of the fund is reserved for a purchase of a street sweeper, backhoe/mini-excavator, dump truck, pickup trucks and mowers in future years. No purchases are planned in 2021-2022, but the public works staff will keep its eye out for quality used equipment. The staff encourages the Budget Committee to continue the annual transfers from the Water, Sewer and Street Funds to build the ***Equipment Reserve Fund*** balance up.

The City Council may want to consider a mid-year work session as a part of an overall strategic planning process to discuss public works vehicle and equipment needs and anticipated capital investments that will be needed in the next five years. The City staff has been asked to prepare a Vehicle & Equipment Replacement Schedule to help with budget planning.

## CHALLENGES

The City is able to pay for a basic level of general government services and provide water, sewer, streets, storm drainage facilities and parks for City residents. The City has reversed the negative revenue trends in most funds, with the exception of the ***Sewer Fund***.

We recommend the Budget Committee and City Council discuss the following issues during the budget meetings:

- Maintain a minimum \$300,000+ ending fund balance in the ***General Fund*** every year.
- Review ***General Fund*** revenue sources and adjust fees and charges as needed.
- Annually transfer \$45,000 to the ***Equipment Reserve Fund*** from the three public works funds and the ***General Fund*** for vehicles and equipment replacement.
- Use the ***Water Reserve Fund*** for the Safe Drinking Water improvements. Construct 7,000 lineal feet of new water mains and purchase and install 350-400 radio read water meters by January 1, 2023.

- Complete a “*Sewer Pre-Design Report*” and secure federal/state financing for wastewater collection and treatment plant improvements by July 1, 2022.
- Continue to work with the Linn County Roads Department and the SAVE OUR BRIDGE committee to complete the Railroad Bridge restoration and SW Broadway Avenue reconstruction projects using the TIGER Grant.
- Plan for “*Community Improvement*” projects for use of the Reid House endowment funds and fire insurance settlement \$\$\$.

## **ROLE OF BUDGET COMMITTEE MEMBERS**

The role of the Budget Committee member is to ensure that public funds are spent prudently. We encourage you to review existing expenditures and analyze all proposed expenditures and ask questions. The approved budget will guide the City throughout the next year. Prior to the second budget committee meeting please review the proposed budget, identify your community priorities and prepare questions for the staff. The Budget Committee will recommend a budget to the City Council by early May 2020.

## **ROLE OF CITY STAFF**

The City staff is available to provide information to the Budget Committee. During the first budget meeting staff will present the proposed budget. Between meetings staff will gather information to answer questions you may have about the proposed budget and current expenditures.

We invite all citizens of the community to review the budget carefully to ensure public funds are spent wisely. The City Hall staff looks forward to the opportunity of working with each member of the Budget Committee in order to build a better community.

Respectfully submitted,

STACIE COOK, MMC  
Budget Officer



## ***OVERVIEW OF CITY SERVICES***

### ***ADMINISTRATION***

City Hall employees provide support services to the City Council, Planning Commission and Budget Committee in addition to their regular administrative and finance duties. The proposed budget includes four (4) positions in City Hall and three (3) positions in public works:

- City Recorder
- Finance Clerk
- Utility Billing Clerk / Court Clerk
- City Clerk
- Public Works Supervisor
- Utility Maintenance Worker II
- Utility Maintenance Worker I

The last year has been a challenge for us all. COVID 19, the Beachie Creek wildfire, FEMA and RV Park temporary housing, the TIGER grant construction projects, the closure of streets and bridges, school construction, street construction and planning for future water and sewer projects have spread elected officials and staff very thin.

The staff hopes things will settle down in 2021 and 2022. Finance Clerk Lacy Classen and I would like to work with the City Council on several financial analysis issues:

- Review **General Fund** fees and service charges.
- Review of franchise fees, particularly enter into a new franchise agreement with Ziplly Fiber.
- After completion of the “Sewer Pre-Design Report”:
  - prepare an updated “*Sewer Rate Study*” and implement recommended rate changes.
  - update the Sewer SDC study to add projects and adjust sewer SDC charges.
- Evaluate benefits of adding a monthly storm drainage maintenance fee.
- Discuss SDC’s for parks, storm sewer and streets.
- Develop an “*Equipment and Vehicle Replacement Schedule*” and budget recommendations.

The budget anticipates the City will continue to contract for professional services including:

- |  |   |
|--|---|
| • City Attorney and general legal services | Jim McGehee, Attorney at Law            |
| • City Engineer and engineering services   | John Ashley, Ashley Engineering         |
| • Auditor                                  | Glen O. Kearns, Accuity LLC, CPA        |
| • Insurance Agent of Record                | Bo Lindemann, Madison-Davis Ins.        |
| • Planning Consultant                      | David Kinney, Community Dev. Consultant |

## *PLANNING SERVICES*

The City reviewed 11 land use applications in 2020. The Santiam Canyon School District's new school facilities at the Santiam Jr./Sr. High School and Santiam Elementary School campuses are nearing completion. In 2019, the City approved the 15-lot Freeman Meadows Subdivision; final engineering is proceeding and the City staff expects construction will occur in summer 2021. The budget includes funds for the City Engineer and Planning Commission consultant to complete the engineering review and construction management of these two projects. Several other smaller projects are being planned and the Marion County Housing Authority is seeking funding for a large project in Mill City.

## *LAW ENFORCEMENT*

Linn County will continue to provide law enforcement services out of the Mill City substation at City Hall. In FY 2021-2022, the Linn County Sheriff will provide services for Linn County's small cities at a standard hourly rate of \$75.51 per hour. Mill City contracts for 301 hours of service per month. The City's law enforcement cost will increase from \$263,640 to \$272,742 in FY 2021-2022. Court Clerk Kimberly Johnson handles code enforcement activities and municipal court clerk duties.

## *PARKS AND COMMUNITY FACILITIES*

The **General Fund** includes \$26,000 this year for park and city building maintenance to pay for supplies, tools, routine parks and restroom maintenance and repairs at Hammond Park, Mill City Falls Park, Memorial Wayside Park and Kimmel Park. The City should budget \$25,000+ per year for park maintenance to keep equipment and buildings in good shape.

Capital outlay for park improvements is found in several funds. The **General Fund** includes up to \$20,000 for replacement of the Mill City entry sign destroyed by the Beachie Creek wildfire. The **Canyon Journey Trails Fund** includes \$147,388 for design and replacement of the Cedar Creek Bridge and adjacent trail/landscaping improvements, also destroyed by the wildfire.

Matching funds are set aside for future grants. There is \$37,500 in the **Skate Park Fund** for a future skate park. The **General Facilities Reserve Fund** includes \$30,000 for Mill City Parks design and budget planning, \$10,000 for administrative and legal expenses and \$250,000 for possible land acquisition and matching funds for park improvements. In order to fully finance the Mill City Falls park projects, the City must receive grants from private foundations and/or the Oregon Parks and Recreation Department to fund park improvement projects.

## *PUBLIC WORKS*

The City faces significant infrastructure costs to upgrade streets, drainage, water and sewer systems over the next 5-10 years. In order to finance these improvements, the City will need to minimize operational expenses and set aside reserves annually.

TRANSFERS

The proposed budget includes the following transfers to support equipment and infrastructure improvements:

From:

General Fund	to	Equipment Reserve	\$ 10,000	Parks share vehicles & equipment
Street Fund	to	Equipment Reserve	\$ 15,000	PW vehicles and equipment
Water Fund	to	Equipment Reserve	\$ 10,000	PW vehicles and equipment
Sewer Fund	to	Equipment Reserve	\$ 10,000	PW vehicles and equipment
General Fund	to	Canyon Journeys Trail	\$ 140,000	Cedar Creek Bridge Fire Insurance \$\$\$
General Fund	to	General Facilities Reserve	\$ 715,000	Reid House Fire Insurance \$\$\$
General Fund	to	Sewer Reserve Fund	\$ 80,000	for Sewer Pre-Design Report
General Fund	to	Storm Drainage Reserve	\$ 20,000	for Storm Sewer Oversizing
Street Fund	to	Street Reserve	\$ 40,000	Street overlays/reconstruction
Water Fund	to	Water Reserve	\$ 50,000	Water System Improvements
Water Fund	to	Bonded Debt	\$ 155,000	Annual Debt Payments – Water Loans
Sewer fund	to	Bonded Debt	\$ 163,000	Annual Debt Payments – Sewer Loans

These amounts enable the City to make annual investments in equipment and capital facilities, and pay annual debt service on prior projects. The City will need to leverage these amounts with grants and loans from federal and state agencies and will likely need to increase the transfers in future years.

The following annual transfers are recommended, but are not included in the proposed budget for FY 2021-2022:

*From:*

General Fund	to	Equipment Reserve	\$ 5,000	A total of \$20,000 annual from four funds Share of long-term PW Shops/City Hall, building, HVAC, equipment & capital upgrades.
Street Fund				
Water Fund				
Sewer Fund				

*From:*

Sewer Fund	to	Sewer Reserve	\$ 50,000	The City does not have adequate revenues in the Sewer Fund to make an annual transfer.
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## STAFF & VOLUNTEERS

The City has dedicated employees and volunteers who serve on the Planning Commission, City Council and Budget Committee and deserve thanks for their contributions.

1. Salary Adjustments for Current Employees: The proposed budget includes funds in all personnel categories to allow for a 2% salary increase effective July 1, 2021. The Pacific Division (West) CPI(U) for all urban consumers increased by 1.5% from January 2020 to January 2021. Before salary changes take effect, the City Council must approve the cost-of-living increases.
2. PERS: PERS rates will increase to 25.32% (Tier 2) and 22.88% (OPSRP) of employee salaries for FY 2021-2022. The rate increases were imposed by the PERS Board to address legal decisions and the unfunded retirement liabilities of most member agencies.
3. Health Insurance: The City has not verified the 2021-2022 health insurance premiums with the City/County Insurance Services staff. The budget assumes health insurance premium costs will increase 6.0% in 2021-2022. The proposed budget is based continuing the current 90/10 City and employee split for health insurance premiums. The employee share of the monthly premium for family coverage will be approximately \$240 per month.
4. Staff Training: City employees, committee members and councilors are encouraged to attend training sessions and classes.

PW Supervisor Russ Foltz will continue to take classes for sewer certification in 2021-2022 as well as attend trainings as required to obtain CEU credits for his water certification. In addition, the budget anticipates conference attendance for other public works employees. The budget also includes funds to continue Oregon Association of Water Utilities (OAWU) assistance with the water system.

The **General Fund** includes funds to pay for professional dues and enable staff and elected officials to attend training and conference. Annual sessions and conferences are offered by the Oregon Department of Revenue (Budget), League of Oregon Cities, Oregon Mayor's Association, Oregon Association of Court Administrators (OACA), the Oregon Municipal Finance Officers Association (OMFOA), the Oregon Association of Municipal Recordors (OAMR), the City County Managers Association (CCMA) and the International Institute of Municipal Clerks (IIMC) and Accela software training classes.

# City of Mill City FY 2021-2022 Budget

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# GENERAL FUND (Fund 10)

## Revenues

**Fund Balance:**

The *General Fund* began the current year with a balance of \$ 346,490, which was \$70,137 higher than the prior year’s total. We anticipate the unrestricted beginning fund balance will be \$396,482 on July 1, 2021, not including \$875,471 from the City/County Insurance Services settlement payment for the Beachie Creek wildfire losses.

**Recommended Fund Balance:**

A prudent goal is to maintain a *General Fund* cash reserve in contingencies and unappropriated balances to cover operating expenses for 4-5 months, avoid short-term borrowing and assure funds are available to handle emergencies. In the past year the average expenses in the *General Fund* were approximately \$60,000 per month. Therefore, a beginning cash reserve of \$300,000 in the *General Fund* is recommended, with \$218,505 allocated to contingencies and the unappropriated balance.

**Revenue Assumptions:**

<table border="0"> <tr> <td style="padding-right: 20px;">Beginning Balance</td> <td style="padding-right: 20px;">\$ 396,482</td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; padding-top: 5px;">875,471</td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; padding-top: 5px;">\$ 1,271,953</td> <td></td> </tr> </table>	Beginning Balance	\$ 396,482			875,471			\$ 1,271,953		<p>Estimated balance, not including CCIS settlement CCIS Fire Insurance Settlement for Beachie Creek wildfire losses</p>
Beginning Balance	\$ 396,482									
	875,471									
	\$ 1,271,953									
<table border="0"> <tr> <td style="padding-right: 20px;">Grant Income</td> <td style="padding-right: 20px;">\$ 0</td> <td></td> </tr> </table>	Grant Income	\$ 0		<p>No grants are pending or anticipated.</p>						
Grant Income	\$ 0									
<table border="0"> <tr> <td style="padding-right: 20px;">Previously Levied Taxes</td> <td style="padding-right: 20px;">\$ 6,725</td> <td></td> </tr> </table>	Previously Levied Taxes	\$ 6,725		<table border="0"> <tr> <td style="padding-right: 20px;">Linn County</td> <td style="padding-right: 20px;">\$ 5,400</td> </tr> <tr> <td style="padding-right: 20px;">Marion County</td> <td style="padding-right: 20px;">\$ 1,325</td> </tr> </table>	Linn County	\$ 5,400	Marion County	\$ 1,325		
Previously Levied Taxes	\$ 6,725									
Linn County	\$ 5,400									
Marion County	\$ 1,325									
<table border="0"> <tr> <td style="padding-right: 20px;">Licenses &amp; Permits</td> <td style="padding-right: 20px;">\$ 60,500</td> <td></td> </tr> </table>	Licenses & Permits	\$ 60,500		<table border="0"> <tr> <td style="padding-right: 20px;">Building Permits</td> <td style="padding-right: 20px;">\$ 60,000</td> </tr> <tr> <td style="padding-right: 20px;">Business Licenses</td> <td style="padding-right: 20px;">\$ 500</td> </tr> </table>	Building Permits	\$ 60,000	Business Licenses	\$ 500		
Licenses & Permits	\$ 60,500									
Building Permits	\$ 60,000									
Business Licenses	\$ 500									

Building Permit revenue is unpredictable. Revenues were \$60,000 (FY 2017), \$42,000 (FY 2018), \$50,000 (FY 2019), \$95,000 (FY 2020) and are estimated to be \$78,000+ by June 20, 2021. The spike the last two years was due to the Santiam School District projects. The \$60,000 estimate assumes a 5-10 new homes, replacement home permits, one or two commercial projects and miscellaneous plumbing, mechanical and remodel permits.

## GENERAL FUND (Fund 10) Revenues

### Revenue Assumptions: (continued)

Franchise Fees	\$ 41,000	The proposed budget estimates franchise revenues will increase slightly @ \$41,000.									
Municipal Court Fines	\$ 23,000	Court fine income has fluctuated from \$22,000 to \$30,000 over the past 5 years. Based on recent traffic and citation activity, \$23,000 seems to be a conservative projection.									
Charges for Services	\$ 16,500	<table border="0" style="margin-left: 20px;"> <tr> <td>Land Use Fees</td> <td style="text-align: right;">\$ 15,000</td> <td></td> </tr> <tr> <td>Lien Search Fees</td> <td style="text-align: right;">\$ 1,500</td> <td></td> </tr> </table> <p>In 2020, the City processed 11 land use applications. We anticipate a similar number of small project applications in 2021. Revenues include \$10,000 in land use fees + \$5,000 for engineering reviews of construction plans for the Freeman Meadows subdivision and smaller projects.</p>	Land Use Fees	\$ 15,000		Lien Search Fees	\$ 1,500				
Land Use Fees	\$ 15,000										
Lien Search Fees	\$ 1,500										
Liquor/Cigarette Tax	\$ 36,902	Liquor tax revenues are estimated at \$19.27 per capita, based on Oregon Department of Revenue projections provided by the League of Oregon Cities and a city population of 1915 residents.									
State Revenue Sharing	\$ 21,000	Expected to be similar to past years. Average \$21,000+/- over past 5 years.									
Miscellaneous	\$ 37,640	<table border="0" style="margin-left: 20px;"> <tr> <td>Miscellaneous</td> <td style="text-align: right;">\$ 5,000</td> <td></td> </tr> <tr> <td>RV Park Rent</td> <td style="text-align: right;">\$ 8,640</td> <td>Hwy 22 RV Park (General Fund share - \$150/mo. per unit)</td> </tr> <tr> <td>FEMA Lease</td> <td style="text-align: right;">\$ 24,000</td> <td>\$2,000 monthly lease at WWTF site.</td> </tr> </table>	Miscellaneous	\$ 5,000		RV Park Rent	\$ 8,640	Hwy 22 RV Park (General Fund share - \$150/mo. per unit)	FEMA Lease	\$ 24,000	\$2,000 monthly lease at WWTF site.
Miscellaneous	\$ 5,000										
RV Park Rent	\$ 8,640	Hwy 22 RV Park (General Fund share - \$150/mo. per unit)									
FEMA Lease	\$ 24,000	\$2,000 monthly lease at WWTF site.									
Property Taxes	\$ 336,191	Linn County									
	\$ 82,573	Marion County									
Transfer IN – Fund 70-71	\$ 10,000	<p>Reflects a 3.0% increase in 2021-2022.</p> <p>Reflects a -10% decrease in 2021-2022, due to wildfire losses.</p> <p>Transfer from General Facilities Fund to pay for city project management, finance, audit and insurance costs associated with the Reid House Endowment. This is down from \$35,000 in FY 2020-2021, because the endowment had provided funds to pay ½ the cost of a city clerk to manage the Reid House events center.</p>									



RESOURCES  
GENERAL FUND (10)

CITY OF MILL CITY

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2021-2022			
	Actual		Adopted Budget This Year Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1	232,649	276,803	225,256	1	Available cash on hand* (cash basis)	1,271,953		1
2		31,000	15,000	2	Grant income	-		2
3			10,700	3	Previously levied taxes estimated to be received-	6,725		3
4	4,056	5,344	1,689	4	Interest	9,500		4
5		35,000	35,000	5	TRANSFERS IN from -- 70-71 GENERAL FACILITIES	10,000		5
6				6	<b>OTHER RESOURCES</b>			6
7	50,227	96,406	45,400	7	LICENSE & PERMITS	60,500		7
8	35,122	40,875	37,500	8	FRANCHISE FEES	41,000		8
9	24,579	18,025	23,000	9	MUNICIPAL COURT FEES AND FINES	23,000		9
10	23,273	17,598	26,000	10	CHARGES FOR SERVICES	16,500		10
11	34,904	32,193	39,330	11	LIQUOR & CIG TAXES	36,902		11
12	20,597	22,039	20,500	12	STATE REVENUE SHARING	21,000		12
13	2,173	9,007	2,000	13	MISCELLANEOUS	37,640		13
14				14		-	-	14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	427,580	584,290	481,375	29	Total resources, except taxes to be levied	1,534,720	-	-
30			409,316	30	Taxes estimated to be received	418,764	-	-
31	406,293	411,736		31	Taxes collected in year levied			
32	<b>833,873</b>	<b>996,026</b>	<b>890,691</b>	32	<b>TOTAL RESOURCES</b>	<b>1,953,484</b>	-	-

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year



# GENERAL FUND (Fund 10)

## Expenditures

**Expenditures:**

**ADMINISTRATION & FINANCE: Materials and Services (continued)**

Office Expenses                   \$   21,500

Office Expenses include

- Computer & software maintenance     \$   8,500     Finance & UB Software Maintenance
- Copier operation & maintenance         \$   3,000
- Office Supplies                             \$   3,500
- Postage & Printing                         \$   6,500

Annual GL & UB Maintenance Fee. An electronic payment system will to be integrated with new software to allow for on-line payments and credit/debit card payments. Computer maintenance services provided by the North Santiam School District.

Permits: Building Permits   \$   54,000

Linn County Building Dept. -- Budgeted at 90% of building permit revenue.

Planning & Engineering       \$   45,500

Consultant services for land use planning and general engineering services for city projects and parks:

- Planning (Kinney)                         \$  24,000
- Engineering (Ashley Engineering)     \$  17,500
- Other Consultants                         \$   4,000

City engineering services including development/subdivision reviews, surveys for MC Falls Park site, miscellaneous designs and final inspections for projects.

Utilities, Phones &  
Building Maintenance       \$   19,500

Several line items were consolidated together into one budget category:

- Building Maintenance                   \$  16,000
- Phones                                     \$   3,500

Building Maintenance includes NWNG, Pacific Power, maintenance supplies, and any contracted maintenance service on the City Hall.

**ADMINISTRATION & FINANCE: Capital Outlay**

Miscellaneous                   \$   20,000

Replace Welcome to Mill City sign on Hwy22 w/ Insurance \$\$\$ (\$15,000+/-).

**FORM  
LB-30**

**REQUIREMENTS SUMMARY  
ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY  
GENERAL FUND 10  
(name of fund)**

	Historical Data			REQUIREMENTS FOR: <b>ADMINISTRATION AND FINANCE</b>	Budget For Next Year 2021-2022				
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020							
1				1	PERSONNEL SERVICES			1	
2	38,772	50,248	72,100	2	SALARIES	71,350		2	
3	20,063	34,710	45,812	3	BENEFITS	51,847		3	
4				4				4	
5				5				5	
6				6				6	
7				7				7	
8				8				8	
9				9				9	
10				10				10	
11				11				11	
12				12				12	
13				13				13	
14				14				14	
15				15				15	
16	<b>58,835</b>	<b>84,958</b>	<b>117,912</b>	16	<b>TOTAL PERSONNEL SERVICES</b>	<b>123,197</b>	<b>0</b>	<b>0</b>	16
17				17	<b>Total Full-Time Equivalent (FTE)</b>				17
18				18	MATERIALS AND SERVICES			18	
19	15,357	13,415	16,500	19	CONTRACTED SERVICES (LEGAL, AUDIT)	21,250		19	
20	8,167	10,397	12,000	20	INSURANCE BONDS	16,000		20	
21	2,884	3,865	6,500	21	MEMBERSHIPS/TRAINING	6,500		21	
22	13,511	3,744	11,700	22	MISCELLANEOUS	15,700		22	
23	15,631	13,710	14,400	23	OFFICE SUPPLIES/POSTAGE/PRINT&PUB/COPIER/COMPUTER	21,500		23	
24	45,756	65,682	39,375	24	PERMITS	54,000		24	
25	28,632	43,423	50,000	25	PLANNING / ENGINEERING CONSULTANTS	45,500		25	
26	11,414	8,363	9,300	26	UTILITIES, PHONES & FACILITIES MAINTENANCE	19,500		26	
27				27				27	
31				28				28	
32				29				29	
33				30				30	
34	<b>141,350</b>	<b>162,599</b>	<b>159,775</b>	31	<b>TOTAL MATERIALS AND SERVICES</b>	<b>199,950</b>	<b>0</b>	<b>0</b>	31
35				32	CAPITAL OUTLAY			32	
36		226	5,000	33	C/O MISCELLANEOUS	20,000		33	
37	1,000		8,000	34	C/O COMPUTER	0		34	
38			0	35	C/O CITY HALL			35	
39				36				36	
40				37				37	
41				38				38	
42	<b>1,000</b>	<b>226</b>	<b>13,000</b>	39	<b>TOTAL CAPITAL OUTLAY</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	39
43	<b>201,185</b>	<b>247,783</b>	<b>290,687</b>	40	<b>ORGANIZATIONAL UNIT / ACTIVITY TOTAL</b>	<b>343,147</b>	<b>0</b>	<b>0</b>	40

# GENERAL FUND (Fund 10)

## Expenditures

**PUBLIC SAFETY:                    Materials and Services**

Contracted Services	\$ 283,992	Contracted services include:			
		o	LCSO Law Enforcement Contract	\$ 272,742	301 hours @ \$75.51 hour x 12 months.
		o	Legal – City Attorney Muni Court	\$ 11,250	
Court Expense	\$ 12,000		Fine and Court Disbursement to the State of Oregon		

**PARKS AND FACILTIES:        Materials and Services**

Parks & Facility Maintenance	\$ 28,000	Buildings, parks and restroom maintenance, supplies, plants, shrubs and repairs in City Parks. The increase reflects consolidation of several line items together.
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**NOT ALLOCATED:                Transfers:**

To Canyon Journeys Trail	\$ 140,000	CCIS - Cedar Creek Bridge Insurance \$\$\$ for replacement
To General Facilities	\$ 715,000	CCIS - Reid House Insurance \$\$\$ for future “Community Improvements” and parks
To Sewer Reserve	\$ 80,000	Pre-Design Report for Sewer Improvements.
To Storm Drainage Reserve	\$ 20,000	Storm Drainage Improvements
To Equipment Reserve	\$ 10,000	For Parks share of mowers and pickup trucks.

**NOT ALLOCATED:                Contingencies & Unappropriated Balance:**

Contingencies	\$ 118,505	Contingencies
Reserved for Future	\$ 100,000	Unappropriated reserve for emergencies / cash flow management.

**FORM  
LB-30**

**REQUIREMENTS SUMMARY  
ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY  
GENERAL FUND (10)**

	Historical Data			REQUIREMENTS FOR: <b>PUBLIC SAFETY</b>	Budget For Next Year 2021-2022			
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1				1 PERSONNEL SERVICES				1
2	12,153	19,319	14,900	2 SALARIES	14,900			2
3	6,289	13,346	9,467	3 BENEFITS	10,827			3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15	18,442	32,665	24,367	15 TOTAL PERSONNEL SERVICES	25,727	0	0	15
16				16 Total Full-Time Equivalent (FTE)				16
17				17 MATERIALS AND SERVICES				17
18	234,780	255,910	263,640	18 LCSO CONTRACT	272,742			18
19	9,472	8,165	9,000	19 LEGAL	11,250			19
20	11,065	9,377	12,500	20 FINE DISPURSEMENT/COURT	12,000			20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29				29				29
30				30				30
31	255,317	273,452	285,140	31 TOTAL MATERIALS AND SERVICES	295,992	0	0	31
32				32 CAPITAL OUTLAY				32
33				33				33
34				34				34
35				35				35
36				36				36
37				37				37
38				38				38
39	0	0	0	39 TOTAL CAPITAL OUTLAY	0	0	0	39
40	273,759	306,117	309,507	40 ORGANIZATIONAL UNIT / ACTIVITY TOTAL	321,719	0	0	40

**REQUIREMENTS SUMMARY  
ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY  
GENERAL FUND (10)**

1	Historical Data			REQUIREMENTS FOR: <b>PARKS &amp; FACILITIES</b>	Budget For Next Year 2021-2022			1	
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020							
1				1	<b>PERSONNEL SERVICES</b>			1	
2	24,673	32,015	30,250	2	SALARIES	32,100			2
3	12,767	22,116	19,221	3	BENEFITS	23,326			3
4				4					4
5				5					5
6				6					6
7				7					7
8				8					8
9				9					9
10				10					10
11				11					11
12				12					12
13				13					13
14				14					14
15	<b>37,440</b>	<b>54,131</b>	<b>49,471</b>	15	<b>TOTAL PERSONNEL SERVICES</b>	<b>55,426</b>	<b>0</b>	<b>0</b>	15
16				16	<b>Total Full-Time Equivalent (FTE)</b>				16
17				17	<b>MATERIALS AND SERVICES</b>				17
18	6,037	7,437	14,000	18	PARKS & FACILITY MAINTENANCE	26,000			18
19	0	1,383	1,800	19	FUEL	2,000			19
20				20					20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26				26					26
27				27					27
28				28					28
29				29					29
30				30					30
31				31					31
32	<b>6,037</b>	<b>8,820</b>	<b>15,800</b>	32	<b>TOTAL MATERIALS AND SERVICES</b>	<b>28,000</b>	<b>0</b>	<b>0</b>	32
33				33	<b>CAPITAL OUTLAY</b>				33
34	10,986	6,123	5,000	34	C/O PARKS	0			34
35			50,000	35	C/O LAND ACQUISITION	0			35
36				36					36
37				37					37
38				38					38
39	<b>10,986</b>	<b>6,123</b>	<b>55,000</b>	39	<b>TOTAL CAPITAL OUTLAY</b>	<b>0</b>	<b>0</b>	<b>0</b>	39
40	<b>54,463</b>	<b>69,074</b>	<b>120,271</b>	40	<b>ORGANIZATIONAL UNIT / ACTIVITY TOTAL</b>	<b>83,426</b>	<b>0</b>	<b>0</b>	40

**REQUIREMENTS SUMMARY**  
**NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**  
**GENERAL FUND (10)**

	Historical Data			REQUIREMENTS DESCRIPTION <b>ADMINISTRATION</b>	Budget For Next Year 2021-2022			
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1				1 PERSONNEL SERVICES NOT ALLOCATED				1
2				2				2
3				3				3
4	0	0	0	4 <b>TOTAL PERSONNEL SERVICES</b>	0	0	0	4
5				5 <b>Total Full-Time Equivalent (FTE)</b>				5
6				6 MATERIALS AND SERVICES NOT ALLOCATED				6
7				7				7
8				8				8
9	0	0	0	9 <b>TOTAL MATERIALS AND SERVICES</b>	0	0	0	9
10				10 CAPITAL OUTLAY NOT ALLOCATED				10
11				11				11
12				12				12
13	0	0	0	13 <b>TOTAL CAPITAL OUTLAY</b>	0	0	0	13
14				14 DEBT SERVICE				14
15	16,563	16,563	0	15 INTERFUND LOAN PMT (RES XXX)	21,687	0	0	15
16				16				16
17	16,563	16,563	0	17 <b>TOTAL DEBT SERVICE</b>	21,687	0	0	17
18				18 SPECIAL PAYMENTS				18
19				19				19
20				20				20
21	0	0	0	21 <b>TOTAL SPECIAL PAYMENTS</b>	0	0	0	21
22				22 INTERFUND TRANSFERS				22
23	10,000	10,000	10,000	23 GF TRANSFER TO CANYON JOURNEYS TRAILS FUND --60	140,000	0	0	23
24	0	0	0	24 GF TRANSFER TO GENERAL FACILITIES RESERVE FUND -- 70-7	715,000	0	0	24
25	0	0	0	25 GF TRANSFER TO SEWER RESERVE FUND -- 70-74	80,000			25
26	0	0	0	26 GF TRANSFER TO EQUIPMENT RESERVE FUND -- 70-75	10,000			26
27	0	0	0	27 GF TRANSFER TO STORM DRAINAGE RESERVE FUND 70-76	20,000			27
28	0	0	0	28				28
29	10,000	10,000	10,000	29 <b>TOTAL INTERFUND TRANSFERS</b>	965,000	0	0	29
30			80,226	30 <b>OPERATING CONTINGENCY</b>	118,505	0	0	30
31	26,563	26,563	90,226	31 <b>Total Requirements NOT ALLOCATED</b>	1,105,192	0	0	31
32	529,407	622,974	720,465	32 <b>Total Requirements for ALL Org.Units/Programs within fund</b>	748,292			32
33				33 Reserved for future expenditure	0			33
34	276,803	346,490		34 Ending balance (prior years)				34
35			80,000	35 <b>UNAPPROPRIATED ENDING FUND BALANCE</b>	100,000	0	0	35
36	832,773	996,027	890,691	36 <b>TOTAL REQUIREMENTS</b>	1,953,484	0	0	36



## STREET FUND (Fund 20)

### Revenues and Expenditures

**Purpose of Fund:**

The *Street Fund* enables the City to track receipts of gas tax revenues and PacifiCorp’s franchise fee payments. Under the Oregon Constitution gas tax revenues are dedicated for construction and maintenance of public streets, right-of-way, transportation systems, sidewalks and trail networks. At least 1% of gas tax receipts must be spent on sidewalks and trails.

**Revenue Assumptions:**

Beginning Balance	\$ 82,187	
PacifiCorp Franchise	\$ 56,000	PacifiCorp franchise fees have remained steady at \$60,000 since 2017. Due to fire losses and energy improvements at the schools, the City anticipates a drop in franchise fees. PacifiCorp fees are 5% of a power bill. The City can charge up to 7%. The City uses PPL franchise fees to pay for street light costs and maintenance in the public right-of-way.
State Hwy Taxes	\$ 130,710	Gas tax revenues are projected by ODOT/League of Oregon Cities. New 2021 estimate is \$75.84 per capita, but LOC has issued a warning to City that gas tax revenues may be less than estimated due to COVID reduced highway travel. Reduced to \$130,170 (90% of estimate.)

**Expenditure Projections:** Street fund expenses are expected to continue as routine street maintenance expenses with a couple of exceptions.

**Personal Services:**

Salaries & Benefits	\$ 62,200	Personal Services includes:
		o Salaries
		\$ 36,700
		o Payroll Costs & Benefits
		\$ 25,500

## STREET FUND (Fund 20)

### Expenditures

#### Materials & Services:

Insurance	\$	3,000	
Miscellaneous	\$	1,100	Miscellaneous expenses (\$1,000) and Uniforms (\$100)
Planning / Engineering	\$	10,500	Consultation with the City engineer and planning consultant including preparation of grant applications, design, specifications and coordination for street or drainage projects. Planning Consultant also works on budget preparation. SCA grant application in summer 2021. <ul style="list-style-type: none"><li>o Engineering \$ 7,500 .</li><li>o Planning/Budget/Other Consultants \$ 3,000</li></ul>
Street Lights	\$	35,000	Monthly charges for street lights provided by Pacific Power
Street & SW Maintenance	\$	18,500	The maintenance line item includes all street and sign maintenance activities. The City needs to continue to replace stop signs and traffic directional signs that do not meet reflectivity standards. The City will replace 10+/- signs per year for the next 5 years. <ul style="list-style-type: none"><li>o Street Maintenance \$ 17,000 .</li><li>o Sidewalk/Trail Maintenance \$ 1,500</li></ul>
Vehicle/Equip Operation	\$	1,500	Vehicle expenses and fuel

#### Capital Outlay:

C/O Miscellaneous	\$	0	All Street capital projects are in the Street Reserve Fund.
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#### Transfers:

Xfer to Equip Reserve	\$	15,000	For replacement of PW vehicles and equipment.
Xfer to Streets Reserve	\$	40,000	Street Reconstruction and Overlays.

RESOURCES  
STREET FUND (20)

CITY OF MILL CITY

Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2021-2022				
Actual		Adopted Budget This Year Year 2020-2021	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2018-2019	First Preceding Year 2019-2020								
1	207,299	123,430	103,138	1	Available cash on hand* (cash basis)	87,644			1
2				2		-			2
3				3	Previously levied taxes estimated to be received-	-			3
4	4,898	2,603	774	4	Interest/STREETS	657			4
5	135,640	132,596	126,146	5	STATE HIGHWAY TAX	130,710			5
6				6	<b>OTHER RESOURCES</b>	-			6
7				7	TRANSFER FROM GENERAL FUND	-			7
8	58,053	56,026	60,000	8	PPL FRANCHISE TAX	56,000			8
9	7,011	-	-	9	MISCELLANEOUS	-			9
10			-	10	GRANT INCOME	-			10
11			-	11	STREET LIDS	-			11
12				12					12
13				13					13
14				14					14
15				15					15
16				16					16
17				17					17
18				18					18
19				19					19
20				20					20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26				26					26
27				27					27
28				28					28
29	412,901	314,655	290,058	29	Total resources, except taxes to be levied	275,011	-	-	29
30				30	Taxes estimated to be received				30
31				31	Taxes collected in year levied				31
<b>32</b>	<b>412,901</b>	<b>314,655</b>	<b>290,058</b>	<b>32</b>	<b>TOTAL RESOURCES</b>	<b>275,011</b>	<b>-</b>	<b>-</b>	<b>32</b>

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**REQUIREMENTS SUMMARY**

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

**STREET FUND (20)**

**FORM  
LB-30**

Historical Data				REQUIREMENTS FOR STREETS - PUBLIC WORKS	Budget For Next Year 2021-2022				
Actual		Adopted Budget This Year 2020-2021	Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2018-2019	First Preceding Year 2019-2020								
1				1	PERSONNEL SERVICES				1
2	33,501	37,945	38,100	2	SALARIES	36,700			2
3	18,620	25,874	32,250	3	BENEFITS	25,500			3
4				4					4
5				5					5
6				6					6
7				7					7
8	52,121	63,819	70,350	8	TOTAL PERSONNEL SERVICES	62,200	0	0	8
9				9	Total Full-Time Equivalent (FTE)				9
10				10	MATERIALS AND SERVICES				10
11	1,602	2,275	3,000	11	INSURANCE	3,000			11
12	312	271	1,100	12	MISCELLANEOUS	1,100			12
13		703	1,250	13	OFFICE EXPENSES: SUPPLIES/COMPUTER	1,250			13
14	30,882	4,785	7,500	14	PLANNING / ENGINEERING CONSULTANTS	10,500			14
15	29,553	29,015	30,000	15	STREET LIGHTS	35,000			15
16	15,722	13,081	18,500	16	STREET & SIDEWALK MAINTENANCE & REPAIR	18,500			16
17	704	1,122	1,500	17	VEHICLES & EQUIPMENT OPERATION & FUEL	1,500			17
18				18					18
19				19					19
20				20					20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26				26					26
27	78,775	51,252	62,850	27	TOTAL MATERIALS AND SERVICES	70,850	0	0	27
28				28	CAPITAL OUTLAY				28
29	3,832	0	0	29	C/O COMPUTERS	0			29
30	0	703	0	30	C/O MISCELLANEOUS	0			30
31	1,243	0	0	31	C/O STORM AND DRAINAGE IMPROVEMENTS	0			31
32	0	0	0	32	C/O STREET IMPROVEMENTS	0			32
33				33					33
34				34					34
35	5,075	703	0	35	TOTAL CAPITAL OUTLAY	0	0	0	35
36	135,971	115,774	133,200	36	ORGANIZATIONAL UNIT / ACTIVITY TOTAL	133,050	0	0	36

**REQUIREMENTS SUMMARY**  
**NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**  
**STREET FUND (20)**  
 (name of fund)

	Historical Data			REQUIREMENTS DESCRIPTION <b>STREETS - PUBLIC WORKS</b>	Budget For Next Year 2021-2022			
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1				1 PERSONNEL SERVICES NOT ALLOCATED				1
2				2				2
3				3				3
4	0	0	0	4 <b>TOTAL PERSONNEL SERVICES</b>		0	0	4
5				5 <b>Total Full-Time Equivalent (FTE)</b>				5
6				6 MATERIALS AND SERVICES NOT ALLOCATED				6
7				7				7
8				8				8
9	0	0	0	9 <b>TOTAL MATERIALS AND SERVICES</b>	0	0	0	9
10				10 CAPITAL OUTLAY NOT ALLOCATED				10
11				11				11
12				12				12
13	0	0	0	13 <b>TOTAL CAPITAL OUTLAY</b>	0	0	0	13
14				14 DEBT SERVICE				14
15				15				15
16				16				16
17	0	0	0	17 <b>TOTAL DEBT SERVICE</b>	0	0	0	17
18				18 SPECIAL PAYMENTS				18
19				19				19
20				20				20
21	0	0	0	21 <b>TOTAL SPECIAL PAYMENTS</b>	0	0	0	21
22				22 INTERFUND TRANSFERS				22
23	33,500	33,500	33,500	23 STF XFER TO RAILROAD BRIDGE FUND	0			23
24	100,000	30,000	30,000	24 STF XFER TO STREET RESERVE	40,000			24
25	20,000	20,000	15,000	25 STF XFER TO EQUIPMENT RESERVE	15,000			25
26				26				26
27				27				27
28	153,500	83,500	78,500	28 <b>TOTAL INTERFUND TRANSFERS</b>	55,000	0	0	28
29			38,358	29 <b>OPERATING CONTINGENCY</b>	46,961	0	0	29
30	153,500	83,500	116,858	30 <b>Total Requirements NOT ALLOCATED</b>	101,961	0	0	30
31	135,971	115,774	133,200	31 <b>Total Requirements for ALL Org.Units/Programs within fund</b>	133,050			31
32				32 Reserved for future expenditure				32
33	123,430	115,380		33 Ending balance (prior years)				33
34			40,000	34 <b>UNAPPROPRIATED ENDING FUND BALANCE</b>	40,000	0	0	34
35	412,901	314,654	290,058	35 <b>TOTAL REQUIREMENTS</b>	275,011	0	0	35

## WATER FUND (Fund 30)

### Revenues & Expenditures

The *Water Enterprise Fund* provides funding to pay for annual costs of operating the water system. As of December 2020, the City provided water service to approximately 790 residential and 73 non-residential customers (commercial/public) in Mill City. This includes 65 customers outside the City.

#### Trends and Budget Concerns:

Several trends over the past 10 years raised concerns about the financial stability of the Water Fund and the City's ability to handle routine operation and maintenance costs and an unforeseen emergency expense in the near future. These concerns have been addressed by the Budget Committee & City Council.

1. **Ending Fund Balance:** The ending fund balance (EFB) in the *Water Fund* has stabilized due to the adoption of a 5-year schedule of rate increases. The June 30, 2021 *Water Fund* EFB is estimated to be \$150,268.
2. **Transfers to Water Reserve Fund:** The City transferred \$65,000 (FY 2020-2021) from the *Water Fund* to the *Water Reserve Fund*.

Under terms of the new Safe Drinking Water Revolving Loan Fund (SDWRLF) agreement with Business Oregon's Infrastructure Finance Authority (IFA), City of Mill City has adopted rates that are high enough to enable the City to annually transfer enough funding into the *Water Reserve Fund* to pay for long-term capital replacement of the existing water supply, pumps, distribution and reservoir storage systems. As part of the loan approved in December, the City prepared a 5-year revenue/expense forecast demonstrating the City will have sufficient funds to repay the new loan, existing loans and set aside money for future water improvements. The proposed budget includes a \$50,000 transfer to the *Water Reserve Fund*.

#### Water Enterprise Fund:

Water user charges generate 96% of the annual operating revenues. As an enterprise fund, user charges paid by customers must cover all costs for the City of Mill City water treatment, transmission, storage and distribution system including personnel, materials and services, capital outlay, debt service and set-aside funds for future capital replacement.

Under terms of the Safe Drinking Water Fund (SDWF) loan agreement, the City must charge water utility rates that guarantee repayment of the SDWF loan and on-going maintenance and operation of the system. The monthly residential water rate is \$ 53.19 per month for a customer who uses 10 units of water per month (7,500 gallons). The City Council adopted Resolution 855 "Water Rates" in July 2020.

## WATER FUND (Fund 30) Revenues & Expenditures

### Revenue Assumptions:

Beginning Balance	\$ 150,268
Water Charges	\$ 484,518

The beginning fund balance is projected to be \$150,268.

Assumes no change in consumption and water collections. Water charges include \$469,394 in monthly water charges plus late fees. Beginning in Spring 2021, the City will be able to receive on-line payments, credit and debit charge payments for utility bills. A service charge will be added for each transaction.

- Monthly Water Charges & Late Fees \$ 472,518
- On-line payment/credit card charges \$ 12,000

### Expenditure Projections:

#### Personal Services:

Salaries & Benefits	\$ 217,750
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Personal Services includes:

- Salaries \$ 124,500
- Payroll Costs & Benefits \$ 93,250

#### Materials and Services:

Contract Services	\$ 17,500
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Contracted services include:

- Audit – Single federal audit \$ 12,500 Due to water project.
- Water quality lab tests \$ 4,000
- Legal \$ 1,000

Lab tests for water quality testing for compliance with Oregon Health Division requirements. Audit costs will be \$5,000 to \$7,500 higher in 2022 due to federal audit requirements.

Insurance	\$ 6,500
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Office Expenses	\$ 22,250
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Office Expenses include

- On-line payment / credit card charges \$ 12,000
- Computer & software maintenance \$ 3,000
- Copier operation & maintenance \$ 2,500
- Office Supplies \$ 1,000
- Postage & Printing \$ 3,750

## WATER FUND (Fund 30)

### Revenues & Expenditures

**Materials and Services:** (continued)

Miscellaneous \$ 4,800

Planning/Engr Consultants \$ 11,500

Schools & Training \$ 2,000

Utilities & Phones \$ 18,250

Water System Maintenance \$ 28,250

**Capital Outlay:**

C/O Hydrants \$ 5,000

**Transfers:**

Xfer to Water Reserve \$ 50,000

Xfer to Equipment Reserve \$ 10,000

Xfer to Bonded Debt \$ 155,000

Miscellaneous expenses, refunds and uniforms

Consultants services include:

- o OAWU \$ 6,000 Monthly consultation
- o Engineering (Ashley) \$ 3,000
- o Planning/Budgeting (Kinney) \$ 2,500

The Oregon Association of Water Utilities (OAWU) provides monthly advice and consultation on water system operations, testing and compliance.

Classes, including OAWU trainings for PW Supervisor Russ Foltz, and maintenance workers.

Increased utility costs for all buildings including the new public works shop facility.

Water system maintenance includes multiple line items:

- o Chemicals \$ 3,500 Chlorine for water disinfection
- o Fuel \$ 1,750 Generator and Vehicle Fuel
- o Water Connection Expenses \$ 1,000 Parts and contract services
- o Maintenance & Repair \$ 8,000 Materials and contract services
- o Tools \$ 2,000
- o Water Line Paving (Patching) \$ 2,000
- o Water System Supplies \$ 10,000 Parts, meters, fittings, valves.

Hydrant Replacement (1-2 per year)

For future water system improvements. Recommend minimum \$25,000 to \$75,000 annually.

Replacement of PW vehicles and equipment. Recommend minimum of \$10,000 annually.

Annual \$154,992 payment to IFA on Safe Drinking Water Loan @ 1% interest through FY 2036. Add \$77,500 payment to IFA on new SDWRLF loan beginning in 2022-2023.



RESOURCES

**WATER FUND (30)**

**CITY OF MILL CITY**

	Historical Data			RESOURCE DESCRIPTION <b>WATER - PUBLIC WORKS</b>	Budget for Next Year 2021-2022			
	Actual		Adopted Budget This Year Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1	129,767	188,454	161,371	1 Available cash on hand* (cash basis)	150,268			1
2	409,925	442,020	450,625	2 WATER MONTHLY CHARGES	484,518			2
3	2,373	9,767	3,500	3 WATER CONNECTIONS	3,500			3
4	4,304	4,136	1,210	4 INTEREST	1,127			4
5	6,645		1,000	5 MISCELLANEOUS	1,000			5
6				6 <b>OTHER RESOURCES</b>				6
7	2,700	6,035	4,000	7 WATER DEPOSITS	4,000			7
8	14,625	5,370	-	8 BUS OREGON IFA INFRASTRUCTURE LOAN	-			8
9	-	-	-	9 TRANSFERS IN	-	-	-	9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	570,339	655,782	621,706	29 Total resources, except taxes to be levied	644,413	-	-	29
30				30 Taxes estimated to be received				30
31				31 Taxes collected in year levied				31
<b>32</b>	<b>570,339</b>	<b>655,782</b>	<b>621,706</b>	<b>32 TOTAL RESOURCES</b>	<b>644,413</b>	<b>-</b>	<b>-</b>	<b>32</b>

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**REQUIREMENTS SUMMARY  
ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY  
WATER FUND (30)**

Line Item	Historical Data			REQUIREMENTS FOR WATER - PUBLIC WORKS	Budget For Next Year 2021-2022			Line Item
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1				1	PERSONNEL SERVICES			1
2	77,017	99,792	114,500	2	124,500			2
3	46,352	69,495	81,500	3	93,250			3
4				4				4
5				5				5
6				6				6
7				7				7
8	<b>123,369</b>	<b>169,287</b>	<b>196,000</b>	8	<b>217,750</b>	<b>0</b>	<b>0</b>	8
9				9	Total Full-Time Equivalent (FTE)			9
10				10	MATERIALS AND SERVICES			10
11	10,208	6,248	12,250	11	17,500			11
12	5,596	4,306	5,000	12	6,500			12
13	847	692	3,100	13	4,800			13
14	8,361	9,817	11,150	14	22,250			14
15	25,469	10,796	14,000	15	11,500			15
16	1,709	974	2,000	16	2,000			16
17	13,484	15,748	20,500	17	18,250			17
18	17,666	16,343	25,250	18	28,250			18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27	<b>83,340</b>	<b>64,924</b>	<b>93,250</b>	27	<b>111,050</b>	<b>0</b>	<b>0</b>	27
28				28	CAPITAL OUTLAY			28
29	7,175	0	0	29	0			29
30	3,000	0	5,000	30	5,000			30
31	0	0	5,000	31	0			31
32				32				32
33				33				33
34				34				34
35	<b>10,175</b>	<b>0</b>	<b>10,000</b>	35	<b>5,000</b>	<b>0</b>	<b>0</b>	35
36	<b>216,884</b>	<b>234,211</b>	<b>299,250</b>	36	<b>333,800</b>	<b>0</b>	<b>0</b>	36

**FORM  
LB-30**

**REQUIREMENTS SUMMARY**  
**NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**  
**WATER FUND (30)**  
 (name of fund)

	Historical Data			REQUIREMENTS DESCRIPTION <b>WATER - PUBLIC WORKS</b>	Budget For Next Year 2021-2022			
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1				1 PERSONNEL SERVICES NOT ALLOCATED				1
2				2				2
3				3				3
4	0	0	0	4 TOTAL PERSONNEL SERVICES	0	0	0	4
5				5 Total Full-Time Equivalent (FTE)				5
6				6 MATERIALS AND SERVICES NOT ALLOCATED				6
7				7				7
8				8				8
9	0	0	0	9 TOTAL MATERIALS AND SERVICES	0	0	0	9
10				10 CAPITAL OUTLAY NOT ALLOCATED				10
11				11				11
12				12				12
13	0	0	0	13 TOTAL CAPITAL OUTLAY	0	0	0	13
14				14 DEBT SERVICE				14
15				15				15
16				16				16
17	0	0	0	17 TOTAL DEBT SERVICE	0	0	0	17
18				18 SPECIAL PAYMENTS				18
19				19				19
20				20				20
21	0	0	0	21 TOTAL SPECIAL PAYMENTS	0	0	0	21
22				22 INTERFUND TRANSFERS				22
23	0	68,000	65,000	23 XFER TO WATER RESERVE	50,000			23
24	10,000	10,000	10,000	24 XFER TO EQUIPMENT RESERVE	10,000			24
25	155,000	155,000	155,000	25 XFER TO BONDED DEBT	155,000			25
26	0	0	0	26	0			26
27	165,000	233,000	230,000	27 TOTAL INTERFUND TRANSFERS	215,000	0	0	27
28			50,000	28 OPERATING CONTINGENCY	45,613	0	0	28
29	165,000	233,000	280,000	29 Total Requirements NOT ALLOCATED	260,613	0	0	29
30	216,884	234,211	299,250	30 Total Requirements for ALL Org.Units/Programs within fund	333,800	0	0	30
31				31 Reserved for future expenditure				31
32	188,455	188,571		32 Ending balance (prior years)				32
33			42,456	33 UNAPPROPRIATED ENDING FUND BALANCE	50,000	0	0	33
34	570,339	655,782	621,706	34 TOTAL REQUIREMENTS	644,413	0	0	34

## SEWER FUND (Fund 40)

The *Sewer Enterprise Fund* provides funding to collect, pump and treat sewerage from 802 residential and commercial customers in Mill City. Mill City's wastewater collection system is a Septic Tank Effluent Pump (STEP) system. Sewage flows to a community-wide wastewater treatment facility located at the east end of the City on SE Fairview Street and SE Remine Rd.

### Wastewater Treatment:

Mill City's Wastewater Treatment Plant (WWTP) was built in 1994 and updated in 2010. The WWTP consists of influent metering, a recirculation/equalization tank (with two compartments), a recirculating gravel filter and disposal drain fields. After passing through the influent Parshall flume, wastewater passes through static screens into the recirculation/equalization tank. The screens are cleaned manually. Filter feed pumps transport the wastewater from the recirculation/equalization tank to the gravel filter. Microbial organisms grow on the gravel filter to treat the wastewater. After passing through the gravel filter, approximately 80% of the filtrate water is recirculated to the recirculation/equalization tank. The remaining 20% is routed, using manual slide gates to control the flow, to the effluent pumps. The effluent pumps are used to dispose of the treated wastewater in the drain fields just east of Kimmel Park. Public works supervisor Russ Foltz has identified problems with the actuator valves that control the flow of the treated wastewater to the drain fields but has concluded it is cost prohibitive to do an incremental repair or replacement of the actuators now. Keller Associates will provide the City a list of needed improvements and costs estimates in April 2021.

### Sewage Collection System (STEP System):

Each customer has an individual or shared interceptor/septic tank unit at the customer's property. Sewage flows from the home or business to the interceptor tank. Solids are retained in the interceptor tanks. Liquid sewage effluent is either pumped from the interceptor tanks to a gravity main or flows directly to one of the City's three sewage pump stations (River Road, Spring Street, or First Street). At the pump stations, the liquid effluent is pumped and transported to the wastewater treatment plant (WWTP). The pump stations were rebuilt in 2009 and each includes a diesel generator with transfer switch in the event of power loss. The piping network is constructed of 4", 6", and 8-inch PVC pipe.

The City is responsible for the on-going pumping and maintenance of the interceptor tanks that are located on the customer's property. Every 7 to 10 years, the City's contractor (Ace Septic) inspects and pumps the accumulated solids and transports the solids to a disposal facility outside the City. Interceptor tanks for commercial uses are inspected and pumped more frequently.

The proposed FY 2021-2022 budget includes \$25,000 for sludge pumping from 75-90 interceptor tanks. Pumping 75-80 tanks each year enables the City to inspect and/or pump all interceptor tanks every 10 years. Every 5-7 years, the City pumps the large sludge holding tank at the Wastewater Treatment Plant; the next cleaning is scheduled for 2026 or 2027.

# SEWER FUND (Fund 40)

## Trends

### SEWER FUND Trends:

In May, 2017 the City Council adopted a 9% sewer rate increase. This increased annual revenues from \$370,000 to \$420,000+/- in FY2020-2021. Unfortunately, revenues have not kept pace with the increased costs to operate the sewer collection and wastewater treatment systems. The hiring of a 3<sup>rd</sup> public works employee and clerk, PERS/Health benefit costs and the pumping of 80 interceptor tanks annually have all contributed to the decline in the *Sewer Fund* balance.

Keller Associates will complete a capacity analysis of Mill City's wastewater treatment facility in April 2021. The preliminary results show the facility dry-weather inflow into the plant is at 94% of the design capacity. Based on hydraulic flows, there is room for new flow from 40-60 homes. The City will need to upgrade the plant to handle additional growth over the next 5-10 years.

1. **Ending Fund Balance:** On June 30, 2021, the *Sewer Fund* EFB will be \$122,000+/-.
2. **Lack of Transfers to Sewer Reserve Fund:** Due to the minimal fund balance, no funds will be transferred to the *Sewer Reserve Fund* this year.

The Infrastructure Finance Authority (IFA) and Department of Environmental Quality (DEQ) recommend cities adopt rates that are high enough so the City can annually transfer enough funding into the *Sewer Reserve Fund* to pay for long-term capital replacement of the existing sewer collection and treatment system. Transfer of funds into the *Sewer Reserve Fund* is one of the conditions attached to the funding of the sewer project completed in 2010. Based on a 30-year capital depreciation schedule of the Sewer Treatment and Collection System valued at \$6,000,000, a \$150,000 annual transfer is recommended.

3. **Minimal Reserves for Major Repairs or Emergency Expenses:** In combination, the *Sewer Fund* EFB and the unobligated portion of the *Sewer Reserve Fund* means the City has limited reserves to cover the cost of a major pump station rehabilitation or a moderate-sized wastewater treatment facility repair. As the City plans for an upgrade to the WWTF, the City must seek grants/loans to finance needed improvements.

### Revenue Assumptions:

Sewer user charges generate 97% of the annual operating revenues. **A sewer rate increase is needed.** As an enterprise fund, user charges paid by customers must cover all costs for the City of Mill City wastewater collection, treatment and biosolids disposal system including personnel, materials and services, capital outlay, debt service and set-aside funds for future capital replacement. Staff recommends the City increase rates 4% to 6% by January 1, 2022.

## SEWER FUND (Fund 40)

### Revenues & Expenditures

Under terms of the 2017 loan agreement, which consolidated City’s outstanding sewer debt into one loan, the City must guarantee repayment of the City’s sewer debt. As an enterprise fund, this must be done via wastewater utility rates. We must also continue to fund on-going maintenance and operation of the system as well as work toward setting aside annual transfers into the *Sewer Reserve Fund* to be able to cover unexpected costs and system upgrades.

The City Council adopted the current sewer rates in May 2017. The monthly residential sewer rate is \$ 42.00 per month. A 5% rate increase to \$44.10 is recommended to take effect by January 2022. A 5% rate increase will generate \$20,000 per year.

#### Revenue Assumptions:

Beginning Balance	\$ 122,116	The June 30, 2020 <i>Sewer Fund</i> balance is estimated to be \$13,000 higher than June 30, 2020.
Sewer Charges	\$ 440,400	Revenue based on no rate increase. If a 5% rate increase is approved, it will generate an additional \$20,000 per year. Sewer charges include:
		<ul style="list-style-type: none"> <li>○ Monthly Sewer Charges &amp; Late Fees \$ 428,400</li> <li>○ On-line payment/credit card charges \$ 12,000</li> </ul>

#### Expenditure Projections:

##### Personal Services:

Salaries & Benefits	\$ 184,500	Personal Services includes:
		<ul style="list-style-type: none"> <li>○ Salaries \$ 102,000</li> <li>○ Payroll Costs &amp; Benefits \$ 82,500</li> </ul>

##### Materials and Services:

Contract Services	\$ 19,500	Contracted services include:
		<ul style="list-style-type: none"> <li>○ Audit – single federal audit \$ 7,500 Due to water project.</li> <li>○ WWTF lab tests \$ 12,000</li> </ul>

Lab tests of wastewater effluent and monitoring wells for compliance with Oregon DEQ requirements. Per NPDES Permit lab tests are required quarterly.

Fees: DEQ & Regulatory	\$ 1,000	Annual DEQ regulatory fee WWTF National Pollution Elimination Discharge Permit (NPDES)
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## SEWER FUND (Fund 40) Expenditures

### Materials and Services: (continued)

Insurance	\$ 6,000		City Council Insurance Services Premiums: Liability & Vehicles
Miscellaneous	\$ 2,100		Miscellaneous Expenses include
			<ul style="list-style-type: none"> <li>○ Miscellaneous – uncategorized \$ 500</li> <li>○ Refunds \$ 1,500</li> <li>○ Uniforms \$ 100</li> </ul>
Office Expenses	\$ 21,800		Office Expenses include
			<ul style="list-style-type: none"> <li>○ On-line payment / credit card charges \$ 12,000</li> <li>○ Computer &amp; software maintenance \$ 2,500</li> <li>○ Copier operation &amp; maintenance \$ 2,000</li> <li>○ Office Supplies \$ 1,500</li> <li>○ Postage &amp; Printing \$ 3,800</li> </ul>
Planning/Engr Consultants	\$ 3,500		Consultants services include:
			<ul style="list-style-type: none"> <li>○ Planning Consultant / Other \$ 2,500</li> <li>○ Engineering (Ashley) \$ 1,000</li> </ul>
Schools & Training	\$ 1,500		Classes, including WW Certification trainings for PW Supervisor Russ Foltz.
Sewer System Maintenance	\$ 25,250		Sewer system maintenance includes multiple line items:
			<ul style="list-style-type: none"> <li>○ Equipment Maintenance \$ 2,500</li> <li>○ Facility / Pump Station Maintenance \$ 7,500</li> <li>○ Fuel \$ 2,000</li> <li>○ Sewer Connection Expenses \$ 750</li> <li>○ Sewer System Maintenance &amp; Repair \$ 10,000</li> <li>○ Sewer System Supplies \$ 2,500</li> </ul>
			Generator / Vehicle Fuel Materials and contract services Collection System & WWTF Parts, fittings, chemicals.
Sludge Management	\$ 25,000		Pumping of Residential and Commercial Interceptor Tanks.
Utilities & Phones	\$ 16,500		Utility costs for WWTF, pump stations, & public works shop facility.

## SEWER FUND (Fund 40) Expenditures

### Expense Projections (continued):

#### Capital Outlay:

No capital outlay projects are planned for the *Sewer Fund* in 2021-2022. The budget includes a token amount of \$5,000 for capital improvements. This money is budgeted to cover unanticipated expenses.

WWTF & Buildings	\$ 5,000	No projects identified. Available for emergency capital expenses. The Sewer Reserve Fund is used for large capital projects for the wastewater plant, pump stations and collection system.
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#### Transfers:

Xfer to Equip Reserve	\$ 10,000	Replacement of PW vehicles and equipment.
Xfer To Bonded Debt	\$ 163,000	Annual \$163,077 Sewer Refinancing debt service payment. [Sewer SDC funds may be used for debt service – See explanation in the <i>Sewer Reserve Fund</i> narrative.]
Xfer to Sewer Reserve	\$ 0	No transfer is planned for FY 2021-2022.



RESOURCES  
SEWER FUND (40)

CITY OF MILL CITY

	Historical Data			REQUIREMENTS FOR SEWER - PUBLIC WORKS	Budget for Next Year 2021-2022			
	Actual		Adopted Budget This Year Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1	165,701	143,526	111,145	1	Available cash on hand* (cash basis)	122,116		1
2	414,157	405,019	433,243	2	SEWER MONTHLY CHARGES	440,400		2
3	-		-	3	SEWER HOOK UPS	0		3
4	2,097	3,297	834	4	Interest/SEWER	916		4
5	312	1,850	500	5	MISCELLANEOUS	500		5
6			-	6	<b>OTHER RESOURCES</b>	0		6
7	1,850	3,586	3,000	7	SEWER DEPOSITS	3,000		7
8	-	0	-	8	TRANSFERS IN	0		8
9				9		0		9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	584,117	557,278	548,722	29	Total resources, except taxes to be levied	566,932	-	-
30				30	Taxes estimated to be received			
31				31	Taxes collected in year levied			
<b>32</b>	<b>584,117</b>	<b>557,278</b>	<b>548,722</b>	<b>32</b>	<b>TOTAL RESOURCES</b>	<b>566,932</b>	<b>-</b>	<b>-</b>

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**REQUIREMENTS SUMMARY**  
**ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY**  
**SEWER FUND (40)**

CITY OF MILL CITY

	Historical Data			REQUIREMENTS FOR SEWER - PUBLIC WORKS	Budget For Next Year 2021-2022				
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020							
1				1	PERSONNEL SERVICES			1	
2	90,912	100,601	104,750	2	SALARIES	102,000		2	
3	54,592	67,911	80,750	3	BENEFITS	82,500		3	
4				4				4	
5				5				5	
6				6				6	
7				7				7	
8	<b>145,504</b>	<b>168,512</b>	<b>185,500</b>	8	<b>TOTAL PERSONNEL SERVICES</b>	<b>184,500</b>	<b>0</b>	<b>0</b>	8
9				9	<b>Total Full-Time Equivalent (FTE)</b>				9
10				10	MATERIALS AND SERVICES			10	
11	11,918	10,658	14,000	11	CONTRACTED SERVICES: AUDIT, LAB TESTS & LEGAL	19,500			11
12	853	913	1,750	12	FEES: DEQ & OTHER REGULATORY FEES	1,000			12
13	6,153	4,306	4,750	13	INSURANCE	6,000			13
14	461	327	1,350	14	MISCELLANEOUS	2,100			14
15	8,630	9,840	10,600	15	OFFICE SUPPLIES/POSTAGE/PRINT/COPIER/COMPUTER	21,800			15
16	8,653	1,851	3,500	16	PLANNING/ENGINEERING/OAWU & CONSULTANTS	3,500			16
17	1,469	969	1,500	17	SCHOOL & TRAINING	1,500			17
18	21,670	11,896	18,025	18	SEWER SYSTEM MAINTENANCE, FUEL & SUPPLIES	25,250			18
19	24,269	22,471	58,000	19	SLUDGE MANAGEMENT	25,000			19
20	13,835	14,566	19,500	20	UTILITIES & PHONES	16,500			20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26				26					26
27	<b>97,911</b>	<b>77,797</b>	<b>132,975</b>	27	<b>TOTAL MATERIALS AND SERVICES</b>	<b>122,150</b>	<b>0</b>	<b>0</b>	27
28				28	CAPITAL OUTLAY			28	
29	7,175	0	0	29	C/O COMPUTERS	0	0	0	29
30	0	0	0	30	C/O MISCELLANEOUS SEWER	0	0	0	30
31	0	0	5,000	31	C/O SEWER PLANT	5,000	0	0	31
32				32			0	0	32
33				33			0	0	33
34				34					34
35	<b>7,175</b>	<b>0</b>	<b>5,000</b>	35	<b>TOTAL CAPITAL OUTLAY</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	35
36	<b>250,590</b>	<b>246,309</b>	<b>323,475</b>	36	<b>ORGANIZATIONAL UNIT / ACTIVITY TOTAL</b>	<b>311,650</b>	<b>0</b>	<b>0</b>	36

**REQUIREMENTS SUMMARY**  
 NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM  
**SEWER FUND (40)**  
 (name of fund)

CITY OF MILL CITY

Line Item	Historical Data			REQUIREMENTS DESCRIPTION <b>SEWER - PUBLIC WORKS</b>	Budget For Next Year 2021-2022			Total
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020						
1				1 PERSONNEL SERVICES NOT ALLOCATED				1
2				2				2
3				3				3
4	0	0	0	4 <b>TOTAL PERSONNEL SERVICES</b>	0	0	0	4
5				5 <b>Total Full-Time Equivalent (FTE)</b>				5
6				6 MATERIALS AND SERVICES NOT ALLOCATED				6
7				7				7
8				8				8
9	0	0	0	9 <b>TOTAL MATERIALS AND SERVICES</b>	0	0	0	9
10				10 CAPITAL OUTLAY NOT ALLOCATED				10
11				11				11
12				12				12
13	0	0	0	13 <b>TOTAL CAPITAL OUTLAY</b>	0	0	0	13
14				14 DEBT SERVICE				14
15				15				15
16				16				16
17	0	0	0	17 <b>TOTAL DEBT SERVICE</b>	0	0	0	17
18				18 SPECIAL PAYMENTS				18
19				19				19
20				20				20
21	0	0	0	21 <b>TOTAL SPECIAL PAYMENTS</b>	0	0	0	21
22				22 INTERFUND TRANSFERS				22
23	20,000	0	50,000	23 XFER TO SEWER RESERVE	0			23
24	10,000	10,000	10,000	24 XFER TO EQUIPMENT RESERVE	10,000			24
25	160,000	160,000	95,000	25 XFER TO BONDED DEBT	163,000			25
26				26				26
27				27				27
28	190,000	170,000	155,000	28 <b>TOTAL INTERFUND TRANSFERS</b>	173,000	0	0	28
29			30,247	29 <b>OPERATING CONTINGENCY</b>	32,282			29
30	190,000	170,000	185,247	30 <b>Total Requirements NOT ALLOCATED</b>	205,282	0	0	30
31	250,590	246,309	323,475	31 <b>Total Requirements for ALL Org.Units/Programs within fund</b>	311,650			31
32				32 Reserved for future expenditure				32
33	143,527	140,969		33 Ending balance (prior years)				33
34			40,000	34 <b>UNAPPROPRIATED ENDING FUND BALANCE</b>	50,000	0	0	34
35	584,117	557,278	548,722	35 <b>TOTAL REQUIREMENTS</b>	566,932	0	0	35

# RAILROAD BRIDGE MAINTENANCE & RESTORATION (Fund 50)

## Revenues and Expenditures

### Purpose of Fund:

The *Railroad Bridge Maintenance & Restoration Fund* was established in 2015 to manage revenues and expenditures related to the restoration of Mill City’s historic railroad bridge. The Save Our Bridge Committee (SOB) has been charged with fundraising, planning, design and reconstruction of the Phoenix Truss railroad bridge and refurbishing the recreation trail over the bridge. The SOB group has finalized the time line for the project:

2014-2017	Ausland Preliminary Assessment. Hamilton Construction prepared detailed project budget. Local Fundraising and Community Outreach. Worked with Marion County and Linn County to file a US Dept. of Transportation TIGER grant application.
2018	\$8.0 million TIGER Grant Awarded for RR Bridge, 1 <sup>st</sup> Avenue Bridge & West Broadway Improvements
2019-2020	Final TIGER Grant Agreement signed with Linn County (April 2019). Execute ODOT-FHWA Vehicle Bridge Transfer Agreement and Grant Management Agreement w/ Linn County. FHWA approval of Linn County’s Final Design and Environmental Reviews by June 1, 2020. Project Bids Opened and Contract Awarded to Farline Bridge Construction.
2021	Project Construction to be completed by October 2021.

The TIGER Grant requires a \$400,000 local match for the RR Bridge portion of the project. The City Council has committed \$340,000+/- in cash and \$60,000 in in-kind support services to the project. All required transfers have been made from the *Street Fund*. If needed, a \$15,000 transfer from the *Street Reserve Fund* is budgeted to provide the final amount needed for the City’s grant match. The TIGER grant is not included in the proposed budget. The Linn County Roads Department is the recipient of the grant and acts as the fiscal sponsor for this grant. Therefore, all financials, except for the City match requirement, will be handled by Linn County in the County budget.

### Revenue Assumptions:

Beginning Balance	\$ 383,913	From the City of Mill City and SOB fundraising.
SOB Revenues	\$ 0	No donor gifts and fundraising revenues are anticipated.
Xfer from Street Fund	\$ 0	No additional transfers are needed to provide the required \$400,000 TIGER grant match.
Xfer from Street Reserve	\$ 15,000	Transfer from Street Reserve Fund (only if needed to cover unanticipated expenses)

## RAILROAD BRIDGE MAINTENANCE & RESTORATION (Fund 50)

### Revenues and Expenditures (continued)

#### Expenditure Projections:

#### Materials and Services:

Administration	\$ 6,352	Consultant services and miscellaneous costs during construction phase of the project.
Engineering	\$ 4,000	Consultation with City Engineer on issues that arise during construction.
SOB Expenses	\$ 5,000	SOB expenses for committee including public relations / outreach.

#### Capital Outlay:

C/O Miscellaneous	\$ 20,000	Miscellaneous capital expenses. If City match is less than \$400,000, purchase holiday lighting for installation on the bridge or add more interpretive display boards at the bridge or park.
C/O Bridge Restoration	\$ 366,000	TIGER grant match. The City will track staff time and in-kind services. The actual amount of the cash contribution will depend on the City's in-kind contributions and actual project costs. The City will provide Linn County with financial reports for inclusion in their grant reports to the U. S. Department of Transportation, Federal Highway Administration (FHWA).

**FORM  
LB-11**

This fund is authorized and established by resolution / ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:

**RESERVE FUND  
RESOURCES AND REQUIREMENTS  
RAILROAD BRIDGE MAINTENANCE  
AND RESTORATION FUND (50)**

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: May 1, 2025

**CITY OF MILL CITY**  
(Name of Municipal Corporation)

1	Historical Data			1	DESCRIPTION	Budget for Next Year 2021-2022			1	
	Actual		Adopted Budget Year 2020-2021			RESOURCES AND REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee		Adopted By Governing Body
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020								
2	290,322	328,167	355,492	2	Cash on hand	383,912			2	
3	7,087	3,795	1,333	3	Interest	1,440			3	
4	-	1,020	-	4	Miscellaneous	-			4	
5	-	-	-	5	SOB Revenue				5	
6	-	-	-	6	Grants	-			6	
7			-	7		-			7	
8	33,500	33,500	33,500	8	Transferred IN, from STREET FUND	-			8	
9	-		15,000	9	Transferred IN, from other funds	15,000			9	
10	330,909	366,482	405,325	10	Total Resources, except taxes to be levied	400,352			10	
11				11					11	
12				12					12	
13	<b>330,909</b>	<b>366,482</b>	<b>405,325</b>	13	<b>TOTAL RESOURCES</b>	<b>400,352</b>			13	
14				14	REQUIREMENTS **				14	
15				15	Org. Unit or Prog. & Activity	Object Classification	Detail		15	
16				16	<b>PUBLIC WORKS - PARKS</b>				16	
17			-	17		M&S		-	17	
18	2,692	6,468	12,500	18			Administration	6,352	18	
19		1,530	-	19			Engineering	4,000	19	
20	50	4,596	2,825	20			Miscellaneous - SOB Expense	5,000	20	
21				21		CAP OUTLAY			21	
22			-	22			C/O MISCELLANEOUS	20,000	22	
23			390,000	23			C/O RAILROAD BRIDGE	365,000	23	
24				24					24	
25				25					25	
26				26					26	
27				27					27	
28				28					28	
29	328,167	353,888		29	Ending balance (prior years)				29	
30			-	30	<b>UNAPPROPRIATED ENDING FUND BALANCE</b>			-	-	30
31	<b>330,909</b>	<b>366,482</b>	<b>405,325</b>	31	<b>TOTAL REQUIREMENTS</b>	<b>400,352</b>		-	-	31

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

# SKATE PARK FUND (Fund 55)

## Revenues and Expenditures

Reaffirmed June 14, 2016 – Next 2025

### Purpose of Fund:

The *Skate Park Fund* was established in 2016 to create a fund to manage revenues and expenditures for a new skate park and site improvements. The fund includes money raised by skate park volunteers. In addition, in 2016, the City Council transferred \$42,488 from the *General Facilities Reserve Fund* to the *Skate Park Fund* to provide seed money for a project. The City and SKATE will need to pursue OPRD local government parks grants and other donations and foundation grants in order to the fund the development of a permanent skate park facility.

The City Council has approved the location for the Skate Park – SW 2<sup>nd</sup> and SW Cedar Street. SKATE has completed design plans for the Skate Park. The City Council approved the location and the conceptual design. The City Council and SKATE must finalize a plan for financing and construction of the project. As of March 2020, a firm financing plan for the project has not been prepared. The City has authorized the Santiam Canyon School District to use the site as a construction office and storage area for the school’s improvement projects in 2020 & 2021.

### Revenue Assumptions:

Beginning Balance	\$ 42,626
SKATE Revenue	\$ 0

### Expenditure Projections:

#### Materials and Services:

Engineering	\$ 5,000	Final architectural/engineering for preparation of detailed construction plans, specifications, cost estimates and bid specifications for a Skate Park and street frontage improvements at the corner of SW Cedar Street and SW 2 <sup>nd</sup> Street.
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#### Capital Outlay:

C/O Skate Park Construction	\$ 37,500	Phase 1 Construction. Additional funds will need to be raised to pay for the Skate Park construction. A final project budget has not been prepared.
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FORM

LB-10

SPECIAL FUND  
RESOURCES AND REQUIREMENTS

SKATE PARK FUND (55)

CITY OF MILL CITY

(Fund)

(Name of Municipal Corporation)

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022		
Actual		Adopted Budget Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2018-2019	First Preceding Year 2019-2020					
1			1	RESOURCES		1
2	50,059	42,249	2	Cash on hand * (cash basis)	42,626	2
4		-	4	Previously levied taxes estimated to be received		4
5	1,302	1,068	5	Interest	320	5
6	-	-	6	SKATE REVENUE	-	6
7		-	7			7
8	-	-	8	Transferred IN, from GENERAL FACILITIES		8
9	-	-	9	Transferred IN, from GENERAL FUND		9
10	51,361	43,317	10	Total Resources, except taxes to be levied	42,946	-
11			11	Taxes estimated to be received		-
12			12	Taxes collected in year levied		-
13	<b>51,361</b>	<b>43,317</b>	<b>13</b>	<b>TOTAL RESOURCES</b>	<b>42,946</b>	<b>-</b>
14			14	REQUIREMENTS **		
15			15	Org Unit or Prog & Activity	Object Classification	Detail
16			16	<b>PUBLIC WORKS - PARKS</b>		
17	113	670	17		M & S	Administration
18	9,000	340	18			Engineering
19	-		19			Miscellaneous
20	-		20		Cap Outlay	Parks - Skate Park
21		37,500	21			
22		-	22			
23			23			
24			24			
25			25			
26			26			
27	42,248		27	Ending balance (prior years)		
28			28	<b>RESERVED FOR FUTURE EXPENDITURES</b>		
29	<b>51,361</b>	<b>1,010</b>	<b>29</b>	<b>TOTAL REQUIREMENTS</b>	<b>42,946</b>	<b>-</b>

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year



# CANYON JOURNEYS TRAIL / MILL CITY FALLS PARK FUND (Fund 60)

## Revenues & Expenditures

### Purpose:

The *Canyon Journeys Trail / Mill City Falls Park Fund* was established in 2010 to set aside money for improvements to the bicycle/pedestrian trail and to make improvements to Hammond Park and Mill City Falls Park. If the City receives grant funds from the Oregon Parks and Recreation Department or from any foundation for improvements to these public spaces, the City can track revenues and expenditures in Fund 60.

The City, Pacificorps and the Erdmans are working together to complete the parking lot and electric vehicle charging station east of Mill City Falls Park. Upon completion of the parking lot construction, the site will be donated to the City as an addition to the Mill City Falls Park site. This fund may be used to complete final landscaping, plantings in the detention basins, trees and walkway lighting improvements

The City staff proposes to submit a grant application to the Oregon Parks and Recreation Department in April 2022 to make improvements to the Mill City Falls Park/Hammond Park area. This project will be coordinated with the Save Our Bridge Committee efforts to renovate the historic Railroad Bridge/Mill City Falls Park in the Historic District area of NE Wall Street. The proposed budget includes funds to cover any pre-design or grant application costs that may be incurred by the City. The Beachie Creek fire destroyed the Cedar Creek bridge on the pedestrian trail. Insurance settlement \$\$ will be transferred into this fund to reconstruct the bridge.

### Revenue Assumptions:

Beginning Balance	\$	11,093	
Transfer IN- General Fund	\$	140,000	CCIS Insurance Settlement – Beachie Creek wildfire loss

### Expense Projections:

#### Materials and Services:

Administration	\$	2,500	Administrative or consultant costs for preparation and presentation of a grant application.
Engineering	\$	20,000	Engineering, landscape architect or contractor costs to prepare designs, concept plans and/or cost estimates for an OPRD grant application and for plans to replace the Cedar Creek bridge.

#### Capital Outlay:

C/O Park Improvements	\$	125,000	Cedar Creek Bridge Replacement.
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**SPECIAL FUND**  
RESOURCES AND REQUIREMENTS  
**CANYON JOURNEYS TRAIL FUND (60)**

	Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022			
	Actual		Adopted Budget Year 2020-2021			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020							
1				1	RESOURCES				1
2	54,632	56,188	57,878	2	Cash on hand * (cash basis),	11,093			2
3	1,556	1,409	434	3	Interest	83			3
4	-			4	Grants - Private / Foundations	-			4
5	-			5	Grants - Public / OPRD	-			5
6				6	Transferred IN, from General Fund	140,000			6
7				7	OTHER FUNDING SOURCES				7
8				8					8
9				9					9
10	56,188	57,597	58,312	10	Total Resources, except taxes to be levied	151,176	-	-	10
11				11	Taxes estimated to be received				11
12				12	Taxes collected in year levied				12
13	<b>56,188</b>	<b>57,597</b>	<b>58,312</b>	13	<b>TOTAL RESOURCES</b>	<b>151,176</b>	<b>-</b>	<b>-</b>	13
14				14	REQUIREMENTS **				14
15				15	Org Unit or Prog & Activity	Object Classification	Detail		15
16				16	<b>Public Works - Parks</b>				16
17	-	-	5,000	17		M & S	Administration	2,500	17
18	-	-	10,000	18			Engineering	20,000	18
19	-	-	40,000	19		Cap Outlay	Park Improvements	125,000	19
20				20				-	20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26			3,312	26		Contingency		3,676	-
27	56,188	57,597		27	Ending balance (prior years)				-
28				28	<b>RESERVED FOR FUTURE EXPENDITURES</b>			-	
29	<b>56,188</b>	<b>57,597</b>	<b>58,312</b>	29	<b>TOTAL REQUIREMENTS</b>		<b>151,176</b>	<b>-</b>	<b>-</b>

## HOUSING REHABILITATION FUND (Fund 65)

### Purpose:

The *Housing Rehabilitation Fund* was originally funded with Community Development Block Grants (CDBG) funds in 1988 and 1997 plus a small City match of \$25,000. Loans were made to 52 low-income property owners in Mill City to rehabilitation and upgrade their homes using 0% interest loans. Since 1997, the City has made an additional 13 loans with the funds that have been repaid to the City. The Community Services Consortium (CSC) based in Corvallis administers the housing rehabilitation loan program for Mill City and charges a 20% administrative charge for each loan.

The City may use loan repayments the City receives from the 1988 grant for any purpose. Loan repayments from the 1997 grant are received by the City and transferred to CSC. Loan repayments from the 1997 grant must be used for housing rehabilitation loans or other CDBG eligible expenses. The City staff has a spreadsheet that tracks all loan amounts and payments from the 1988 and 1997 grants. This Excel spreadsheet should be updated and a report provided on the Council on what funds are available for any City project and what funds must be reserved for Housing Rehab loans.

The Budget Committee and City Council have previously agreed that the City use this fund for housing rehabilitation and code enforcement. The proposed budget includes \$10,000 for Code Enforcement to cover the cost of abatement/clean-up if needed. In 2020, the City sent out 84 code enforcement warning or violation letters. Typical issues are junk vehicles, recreational vehicle storage, junk and debris and high grass letters. The City Attorney prosecuted 2 code enforcement violations in Municipal Court in 2020.

In 2012 the City Council made an interfund loan of \$125,000 from the *Housing Rehabilitation Fund* to the *General Facilities Reserve Fund* to cover costs related to construction of City Hall. The final loan payment was made in FY 2020-2021. A new \$200,000 short term loan for storm drainage improvements was made in FY 2020-2021 to finance storm drainage improvements near the Santiam Schools. The storm drainage loan, authorized by Resolution No. 854, accrues interest at a rate of 1.5% per annum. The first loan payment of \$21,687 from the General Fund is included as revenue.

### Policies for Use of Housing Rehabilitation Funds:

- a. Continue Policy of Using HR Return Funds for Housing Rehabilitation Loans.
- b. Budget funds for Code Enforcement / Property Cleanup
- c. Begin annual loan repayments to the Housing Rehabilitation Fund for the \$200,000 storm drainage loan.

## HOUSING REHABILITATION FUND (Fund 65)

### Revenues & Expenditures

#### Revenues Assumptions:

Beginning Balance	\$ 63,182	A \$24,200 Housing Rehab loan repayment was made in 2019, increasing the fund balance.
HR Return	\$ 0	Placeholder: Any Housing Rehab Loan Payments are received in this line item.
Debt Payment from GF	\$ 21,687	Year 1 of 10 payments to repay Storm Drainage Loan to Fund 70-76. The City loaned \$200,000 to the Storm Drainage Reserve Fund 70-76 to pay for storm drainage system oversizing and extensions near the Santiam Schools. The City anticipated the loan would be repaid using grant funds from the State of Oregon; but this grant was cancelled by the Governor when lottery revenues plummeted in 2020 & 2021. Loan repayments will be made from the General Fund.

#### Expense Projections:

##### Materials and Services

Loan Administration	\$ 12,000	The City contracts with the Community Services Consortium (CSC) to administer the housing rehab loan program. For each loan, the City pays an average of 20% to CSC to screen and qualify homeowners, solicit bids and monitor construction work.
Code Enforcement	\$ 10,000	Legal, court, administrative and clean-up costs related to City enforce the City's nuisance code and derelict and dangerous building code. The \$10,000 provides sufficient funds to handle one large code enforcement case or many small property cleanup activities.
Housing Rehab Loans	\$ 60,000	The City has funds to make housing rehabilitation loans to property owners. These loans are 0% interest loans to low-income property owners to make basic home repairs. The City will have \$20,000 available to make HR loans.

FORM

SPECIAL FUND  
RESOURCES AND REQUIREMENTS

LB-10

**HOUSING REHABILITATION FUND (65)**

CITY OF MILL CITY

(Fund)

(Name of Municipal Corporation)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022			
Actual		Adopted Budget Year 2020-2021	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2018-2019	Preceding Year 2018 -2019							
1			1	RESOURCES			1	
2	130,025	176,418	2	Cash on hand * (cash basis)			2	
3	3,071	4,344	3	Interest			3	
4	26,759	38,932	4	Housing Loan Payments: HR Return to City			4	
5			5	Miscellaneous			5	
6			6				6	
7	16,563	16,563	7	Debt Serv Payment from General Fund (CH Loan)			7	
8			8	Debt Serv Payment for Storm Drainage (SD Loan)			8	
9	-		9				9	
10	176,418	236,257	10	Total Resources, except taxes to be levied			10	
11			11	Taxes estimated to be received			11	
12			12	Taxes collected in year levied			12	
13	<b>176,418</b>	<b>236,257</b>	<b>13</b>	<b>TOTAL RESOURCES</b>			<b>13</b>	
14			14	REQUIREMENTS **			14	
15			15	Org Unit or Prog & Activity	Object Classification	Detail	15	
16			16	Public Works - Parks			16	
17	-	-	17		M & S	Administration	17	
18	-	74	18			Code Enforcement	18	
19	-	-	19			Housing Rehab Loans	19	
20			20		Cap Outlay		20	
21			21			C/O Rehab Buildings	21	
22			22		XFER		22	
23	-		23			Loan to Storm Drainage Res Fu	23	
24			24				24	
25			25				25	
26			26				26	
27			27				27	
28			28				28	
29	176,418	236,183	29	Ending balance (prior years)			29	
30			30	RESERVED FOR FUTURE EXPENDITURES			30	
31	<b>176,418</b>	<b>236,257</b>	<b>31</b>	<b>TOTAL REQUIREMENTS</b>			<b>31</b>	

# GENERAL FACILITIES RESERVE FUND (Fund 70-71)

Reaffirmed April 12, 2011 – Next Review 2021

**Purpose:**

The *General Facilities Reserve Fund* was established to finance land acquisition and capital improvements to City parks, City Hall, City properties and general government facilities. Over the past decade revenues have come from property sales, leases of City-owned properties and insurance settlements. In March 2021, the City received an \$875,000 insurance settlement for the Beachie Creek wildfire losses. \$715,000 was for the Reid House losses. In 2019 the City received the first annual disbursement from the Oregon Community Foundation Advised Fund for the Reid House. The annual distribution from OCF will be \$90,000 to \$95,000 in July 2021.

With the loss of the Reid House, the City may proceed with park and “community improvement” projects consistent with Josephine Reid’s bequest to the City. The budget includes \$250,000 for park & facility improvements and sets aside \$723,000+ as an unappropriated balance for future projects. Initial discussions with the family have indicated improvements to the Mill City Falls park site are consistent with the bequest.

**Revenue Assumptions:**

Beginning Balance	\$ 212,307	
Reid House Endowment	\$ 95,000	Annual distribution to the City from the Reid Endowment @ the Oregon Community Foundation.
Insurance	\$ 40,000	CCIS – Estimated Insurance Payment to reimburse City for clean up at Reid House Site
Transfer IN	\$ 715,000	Transfer IN from General Fund – CCIS Insurance for Reid House fire loss.

**Expenditure Projections:**

**Materials and Services:**

Admin / Legal	\$ 5,000	Admin/Legal costs associated with use of the endowment funds or project management
Engineering/Design	\$ 30,000	Mill City Falls Park design & engineering expenses using the Reid endowment funds.
Facility Maintenance	\$ 40,000	Environmental and site cleanup at the Reid House site. CCIS will reimburse the City.

**Capital Outlay:**

C/O Park & Facilities	\$ 250,000	Capital improvements. To complete projects planned for the Mill City Falls Park site, land acquisition for parks and other “community improvements”.
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**Transfers:**

Xfer to General Fund	\$ 10,000	Transfer to cover city costs for project management, finance, audit & insurance related costs.
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The Reid House endowment funds were intended to pay for on-going maintenance of the property, design, building upgrades, internal changes to accommodate a community center use, parking, site improvements and on-going operation of the community center. The following table provides a snapshot of revenues and expenditures since the creation of the endowment and transfer of ownership of the property to the City of Mill City. As noted above, with the loss of the Reid House, the City may proceed with park and “community improvement” projects consistent with Josephine Reid’s bequest to the City. The FY 2021-2022 budget includes \$250,000 for park & facility improvements and sets aside \$723,000+ as an unappropriated balance for future projects. Initial discussions with the family have indicated improvements to the Mill City Falls Park site are consistent with the bequest.

Table xx  
**Reid House Endowment Revenues and Expenditures  
(FY 2019-FY 2022)**

Acct #		2018-2019 Audit	2019-2020 Audit	2020-2021 June 30, 2021 Estimated	2021-2022 Proposed Budget	Notes
<b>Revenues</b>						
	Beginning Fund Balance	0	102,568	140,978	182,835	Includes only Reid House share of General Facilities Fund balances
70-71-4015	OCF (Reid House Endowment)	120,322	91,842	90,005	95,000	Annual July Distribution to City
	Transfer In from General Fund				755,000	CCIS Insurance – Fire Loss of Reid House
	Revenue Totals	120,322	204,410	230,983	1,032,835	
<b>Expenditures</b>						
70-71-6085	Engineering & Design	0	0	7,939	30,000	MC Falls Park Design
70-71-6100	Reid House Maintenance	17,754	18,432	5,208	40,000	Bldg. and Site Maintenance & Architects. Site and Environmental Cleanup in 2021.
70-71-6160	Administration & Legal Fees				5,000	Legal Fees
70-71-7010	Reid House Capital Outlay				250,000	Land Acquisition, Park & Public Facility Improvements
70-71-8xxx	Transfer to General Fund		35,000	35,000	10,000	Transfer for Finance, Audit & Project Mgt
	Expenditure Totals	17,754	53,432	48,147	335,000	
<b>Ending Fund Balance (as of June 30<sup>th</sup>)</b>						
	Ending Fund Balance	102,568	140,978	182,835	697,835	

**LB-11**

This fund is authorized and established by resolution / ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:  
\_\_\_\_\_

**RESERVE FUND  
RESOURCES AND REQUIREMENTS**

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: May 1, 2021

**GENERAL FACILITIES RESERVE FUND (70-71)**

**CITY OF MILL CITY**

(Name of Municipal Corporation)

1	Historical Data			1	DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022			1		
	Actual		Adopted Budget Year 2020-2021			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body			
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020									
2	515,542	500,389	261,669	2	Cash on hand * (cash basis)	212,307			2		
3	21,716	9,664	1,963	3	Interest	1,592			3		
4	120,322	91,841	395,000	4	Reid House: OCF Endowment Distribution	95,000			4		
5	-		-	5	Donations	-			5		
6	-			6	Insurance	40,000			6		
7	-			7	Transfer IN from General Fund	715,000			7		
8				8		-			8		
9	657,580	601,894	658,632	9	Total Resources, except taxes to be levied	1,063,899	-	-	9		
10				10					10		
11				11					11		
12	<b>657,580</b>	<b>601,894</b>	<b>658,632</b>	12	<b>TOTAL RESOURCES</b>	<b>1,063,899</b>	<b>-</b>	<b>-</b>	12		
13				13	REQUIREMENTS **				13		
14				14	Org. Unit or Prog. & Activity	Object Classification	Detail		14		
15				15	<b>Public Works - Parks</b>				15		
16	17,754		50,000	16		M & S	Admin / Legal	5,000	16		
17	11,642	18,432	25,000	17			Engineering / Design	30,000	17		
18		52	-	18			Facility Maintenance	40,000	18		
19			-	19			Miscellaneous	5,000	19		
20			-	19		Cap Outlay	C/O Park/Fac Improv	250,000	20		
21			-	20	<b>Public Works</b>			-	21		
22	4,470	764	-	21		M & S	Engineering / Legal	-	22		
23	-	-	-	22		Cap Outlay	Land Acquisition	-	23		
24	121,005	391,153	-	23			C/O Public Wks Shop	-	24		
25	2,320		525,000	24			C/O Reid House		25		
26		35,000	35,000	25		XFER	Xfer to General Fund	10,000	26		
27	500,389	156,493		27	Ending balance (prior years)				27		
28			23,632	28	<b>RESERVED FOR FUTURE EXPENDITURES</b>			723,899	28		
29	<b>657,580</b>	<b>601,894</b>	<b>658,632</b>	29	<b>TOTAL REQUIREMENTS</b>			<b>1,063,899</b>	<b>-</b>	<b>-</b>	29



## WATER SYSTEM RESERVE FUND (Fund 70-72)

Reaffirmed April 12, 2011 – Next Review 2021

### Purpose:

The *Water System Reserve Fund* was established to set aside funds for capital improvements to the water system.

#### *Water SDC's and Qualified Projects:*

The City has collected \$274,600 in WATER SDC funds since 2006. Water SDC funds must be expended for either (1) debt service related to the 2003/2004 water improvement project, (2) SDC administrative costs, (3) water system master plan update, or (4) for water improvements listed in the WATER SDC resolution.

In 2019, the City approved the Freeman Meadows Subdivision in the SE part of the City. The plans include extension of 12" water main east on SW Kingwood Avenue from the City's well site to SE 6<sup>th</sup> Avenue. The replacement of the existing undersized water main with a new 12" main is SDC eligible. After it is constructed in 2021, the City will reimburse the developer for the actual cost of construction to install 700' of 12" water main.

#### *Public Works Building and Well Site Projects*

The proposed budget includes funds to fix the generator electrical connections at the Well Pump Station building. It also includes funds for the additional fencing, landscaping and trees that were required for the new public works shop building project.

#### *2021 Safe Drinking Water Loan - Water System Improvements Project:*

In 2019, the City completed a leak detection analysis of the City's water mains in order to identify locations where water is leaking from fire hydrants, water mains and services. One of the problem areas discovered in the leak testing was SW Ivy Street, which has several small diameter water lines (1", 2" and 4"). Public Works Supervisor Russ Foltz recommended a new 8" main be installed in SW Ivy Street. He also proposes the City install an automated "radio read" water meter reading system and meter all unmetered services (parks).

The City considered several options to proceed with these recommended projects and use limited funds available in the Water Reserve Fund:

- (1) Construct the SW Ivy Street water main; or
- (2) Phase in purchase and installation of a radio-read meter system; or
- (3) Apply for a Safe Drinking Water Loan from the State of Oregon to finance both projects and install additional water mains.

# WATER SYSTEM RESERVE FUND (Fund 70-72)

## Revenues

*2021 Safe Drinking Water Loan - Water System Improvements Project: (continued)*

The Council applied to Business Oregon for a grant/loan from the Safe Drinking Water Revolving Loan Fund (SDWRLF). In December 2020, Mill City was awarded a \$2,536,000 million grant/loan package; the loan agreement was signed in February 2021. Table 1 summarizes the financing package awarded to the City. Table 2 lists the projects to be constructed in 2021 and 2022. Ashley Engineering is completing design for Phase 1: the SW Ivy/SW Hall street water main replacement. Bids will be solicited in April 2021 and construction will begin in Summer 2021. Phase 2 design will be completed in 2021 and construction will occur in 2022.

*Table 1*

**Mill City Water Main Improvements – Funding Sources**

Funding Sources	Amount
Business Oregon – SDWRLF	
30-Year Loan @ 1%	2,156,000
Principal Forgiveness Loan (Grant)	350,000
Project Mgt & Labor Standards Grant	30,000
City of Mill City Water Reserve Fund – Cash Match	150,000
	<b>\$ 2,686,000</b>

*Table 2*

**Mill City Water System Improvements**

#	Water Main Replacement		Pipe Size	Length
1	SW Ivy & SW Hall		8"	2,260
2	SE 4 <sup>th</sup>	Fairview to Kingwood	8"	1,300
3	SW 8th	Linn Blvd to Spring	8"	420
4	NE 7 <sup>th</sup>	NE Alder to Hwy 22	8"	280
5	SE 1st	Whitten to Kingwood	8"	1,400
6	SE Grove	1 <sup>st</sup> to 4 <sup>th</sup>	8"	1,330
	<b>Total Water Main Length</b>			<b>6,990</b>
7	Radio Read Water Meters		350-450 meters	
8	Well site generator electrical transfer switch			

### Revenue Assumptions:

Revenues in the **Water Reserve Fund** come from transfers from the **Water Fund** and from SDC fees paid by builders.

Beginning Balance	\$	343,863	
Water SDC	\$	45,000	SDC Payments – 10 new homes @ \$4,500. Can be spent on SDC eligible projects.
SDWRLF Loan	\$	2,286,000	Balance of SDWRLF loan proceeds to be received after July 1, 2021. The City will submit several bills to Business Oregon for engineering and surveying costs prior to July 1, 2021.
Transfer IN	\$	50,000	Transfer IN from Water Fund to ensure funds are available for future projects.

# WATER SYSTEM RESERVE FUND (Fund 70-72)

## Expenditures

### Expense Projections:

#### Materials and Services:

Administration	\$ 100,000	Administration, project management, legal, environmental, BOLI requirements, permit costs and other grant/loan administrative costs for the SDWRLF projects and to coordinate the SE Kingwood water main project.
Engineering	\$ 203,400	Balance of engineering services to design the SWDRLF water main projects. Review of Boatwright Engineering design of SE Kingwood water main. Project inspection services for all projects.

#### Capital Outlay:

C/O Water System	\$ 2,257,000	Water system capital improvement projects include: <ul style="list-style-type: none"> <li>○ SDWRLF Water Project                   \$ 1,927,000     Water mains &amp; radio read meters</li> <li>○ Well Improvements                     \$ 20,000       Generator electrical, fencing &amp; trees</li> <li>○ Equipment                                 \$ 20,000       Reserved for Equipment Replacement</li> <li>○ Water Lines                               \$ 160,000     Reserved for Water Line Replacement</li> <li>○ SE Kingwood Water Main               \$ 135,000     SDC Reimbursement for 12” main</li> </ul>
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#### Transfers:

Xfer to Bonded Debt	\$ 116,400	Under terms of the SDWRLF loan agreements (2003 & 2021), the City has agreed to set aside a 1-year debt service reserve for all required loan payments. <ul style="list-style-type: none"> <li>○ 2021 SDWRLF Loan                     \$ 8,400       For 2021-22 Interest Only Payment</li> <li>○ 2021 SDWRLF Loan                     \$ 77,500     1-Year Reserve</li> <li>○ 2006 SDWRLF Loan                     \$ 30,500     Amount needed in the Bonded Debt Fund to reach the required \$154,993 1-year reserve for the 2006 loan.</li> </ul>
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**FORM  
LB-11**

This fund is authorized and established by resolution / ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:

**RESERVE FUND  
RESOURCES AND REQUIREMENTS  
WATER SYSTEM RESERVE FUND (70-72)**

(Fund)

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: May 1, 2021

**CITY OF MILL CITY**

(Name of Municipal Corporation)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS			Budget for Next Year 2021-2022			
Actual		Adopted Budget Year 2020-2021	Proposed By Budget Officer				Approved By Budget Committee	Adopted By Governing Body		
Year 2018-2019	Year 2019-2020									
1			1	RESOURCES					1	
2	288,408	313,634	414,248	2	Cash on hand * (cash basis)	343,863			2	
3	7,226	7,979	3,107	3	Interest	2,579			3	
4	-	-	-	4	INTEREST/SDC WATER	-			4	
5	18,000	49,500	18,000	5	SDC WATER	45,000			5	
6	-	-	-	6	MISCELLANEOUS	-			6	
7				7	SDWRLF Loan	2,286,000			7	
8	-	-	-	8	Transferred IN, from GENERAL FUND	-			8	
9		68,000	65,000	9	Transferred IN, from WATER FUND	50,000			9	
10	313,634	439,113	500,355	10	Total Resources, except taxes to be levied	2,727,442	-	-	10	
11				11	Taxes estimated to be received				11	
12				12	Taxes collected in year levied				12	
13	<b>313,634</b>	<b>439,113</b>	<b>500,355</b>	13	<b>TOTAL RESOURCES</b>	<b>2,727,442</b>	-	-	13	
14				14	REQUIREMENTS **				14	
15				15	Org. Unit or Prog. & Activity	Object Classification	Detail		15	
16				16	<b>Public Works - Wastewater</b>				16	
17	-		2,500	17		M & S	Administration	100,000	17	
18	-	5,185	25,000	18		M & S	Engineering	203,400	18	
19	-		472,855	19		Cap Outlay	C/O Water Syst Improvemnts	2,257,000	19	
20				20					20	
21				21		XFER	Xfer to Bonded Debt	116,400	21	
22				22					22	
23				23					23	
24				24					24	
25				25					25	
26	313,634	433,928		26	Ending balance (prior years)					26
27			-	27	<b>RESERVED FOR WATER SDC ELIGIBLE PROJS</b>			50,642	-	27
28	<b>313,634</b>	<b>439,113</b>	<b>500,355</b>	28	<b>TOTAL REQUIREMENTS</b>			<b>2,727,442</b>	-	28

# STREET RESERVE FUND (Fund 70-73)

Reaffirmed April 12, 2011 – Next Review 2021

**Purpose:**

The *Street Reserve Fund* was established to set aside money for street reconstruction or overlays. The City may design and issue contracts for street improvements or sign an agreement with either Marion County or Linn County to have the County include overlay, chip seal or maintenance projects in a larger county contract.

The public works staff has not prepared a capital improvements plan (CIP) list of priority street overlay or street improvement projects. Several projects have been discussed and financed by the City over the past five years:

- |                 |                                       |             |  |
|-----------------|---------------------------------------|-------------|--|
| ▪ West Broadway | (1 <sup>st</sup> to 5 <sup>th</sup> ) | TIGER Grant | Linn County will reconstruct W. Broadway 2021 using the TIGER Grant and Linn County Road Funds. The project includes streetscape elements (trash cans, decorative lighting, trees and landscaping) into the project. |
|-----------------|---------------------------------------|-------------|--|
  
- |                          |                 |                |                            |
|--------------------------|-----------------|----------------|----------------------------|
| ▪ NE 5 <sup>th</sup> Ave | (Hwy 22-Cherry) | ODOT-SCA Grant | Overlay completed in 2019. |
|--------------------------|-----------------|----------------|----------------------------|
- |                   |                                       |                |  |
|-------------------|---------------------------------------|----------------|--|
| ▪ SW Cedar Street | (2 <sup>nd</sup> to 4 <sup>th</sup> ) | ODOT-SCA Grant | Street widening, curbs, sidewalks and ADA ramps completed. The Santiam Canyon School District constructed curbs, gutters, storm drainage and sidewalks on the south side of the street. Final paving of the 2 <sup>nd</sup> Street & Cedar Street intersection should be completed by the end of April 2021. |
|-------------------|---------------------------------------|----------------|--|
  
- |                      |                      |                |   |
|----------------------|----------------------|----------------|---|
| ▪ SW 2 <sup>nd</sup> | (Broadway-Evergreen) | ODOT-SCA Grant | 2” AC overlay SW 2 <sup>nd</sup> (Broadway to Evergreen). Construct Summer 2021 or Spring 2022. |
|----------------------|----------------------|----------------|---|

The City will apply for another one or two SCA grants in 2021. Possible candidates are SW 4<sup>th</sup> (Broadway to Douglas); SW Cedar (1<sup>st</sup> to 2<sup>nd</sup>); SW Evergreen (1<sup>st</sup> to 4<sup>th</sup>) and SW Ivy (1<sup>st</sup> to SW Hall).

**Revenue Assumptions:**

Beginning Balance	\$	239,657	
SCA Grants	\$	100,000	2021 SCA grant reimbursement for overlay of SW 2 <sup>nd</sup> (Broadway to Evergreen).
Xfer from Street Fund	\$	40,000	Annual Transfer to pay for future street improvements.



**FORM  
LB-11**

This fund is authorized and established by resolution / ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:  
\_\_\_\_\_

**RESERVE FUND  
RESOURCES AND REQUIREMENTS  
STREET RESERVE FUND (70-73)**

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: May 1, 2021

**CITY OF MILL CITY**

(Fund)

(Name of Municipal Corporation)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022					
Actual		Adopted Budget Year 2020-2021	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body				
Year 2018-2019	Year 2019-2020									
1			1	RESOURCES			1			
2	271,454	366,598	140,508	2	Cash on hand * (cash basis)	239,657	2			
3	5,981	8,214	1,054	3	Interest	1,797	3			
4			-	4	Previously levied taxes estimated to be received	-	4			
5			100,000	5	ODOT - SCA Grant	100,000	5			
6	100,000	30,000	30,000	6	Transfer IN from STREET FUND	40,000	6			
7				7		-	7			
8				8		-	8			
9				9			9			
10	377,435	404,812	271,562	10	Total Resources, except taxes to be levied	381,454	-			
11				11	Taxes estimated to be received					
12				12	Taxes collected in year levied					
13	<b>377,435</b>	<b>404,812</b>	<b>271,562</b>	13	<b>TOTAL RESOURCES</b>	<b>381,454</b>	<b>-</b>			
14				14	REQUIREMENTS **					
15				15	Org. Unit or Prog. & Activity	Object Classification	Detail			
16				16	<b>Public Works - Street Improvements</b>					
17	94	1,577	2,500	17		M&S	Administration			
18	10,743	18,956	22,500	18			Engineering			
19		159,494	195,000	19		Cap Outlay	Street Improvements			
20			15,000	20			Sidewalks / Ped Paths			
21			-	21						
22			15,000	22		XFER	Xfer to RR Bridge Fund			
23				23						
24				24						
25	366,598	224,785		25	Ending balance (prior years)					
26			21,562	6	Reserved for Future Expenditures					
27	<b>377,435</b>	<b>404,812</b>	<b>271,562</b>	27	<b>TOTAL REQUIREMENTS</b>			<b>381,454</b>	<b>-</b>	<b>-</b>

# SEWER RESERVE FUND (Fund 70-74)

Reaffirmed June 2012 – Next Review 2021

## Purpose:

The *Sewer Reserve Fund* was established to finance major capital improvements to the wastewater treatment plant and pump stations. Revenues come from SEWER SDC charges paid by builders and from transfers from the *Sewer Fund*.

## Transfers from the Sewer Fund:

As noted in the *Sewer Fund* narrative, the City’s loan agreements include provisions calling for the City to set aside funds for capital replacement. At minimum the City should be setting aside \$25,000 to \$50,000 per year. The Budget Committee and City Council have tried to make these transfers during each of the past 3 budget years. The proposed budget does not include any transfer to the *Sewer Reserve Fund*.

## Sewer Systems Development Charges:

Systems Development Charges are fees paid by developers for their fair share of needed capital improvements. Sewer SDC’s are composed of:

- (1) **“REIMBURSEMENT FEE”**. A reimbursement fee is used to reimburse the City for costs incurred to over-size the existing sewer treatment and collection system. Resolution 504 states Mill City’s Sewer SDCs are “reimbursement fees” for the cost of over-sizing the sewer system installed in the early 1990’s. The qualified use of Sewer SDC funds is for “debt service”.
- (2) **“IMPROVEMENT FEE”**. An improvement fee may pay for capital improvements to over-size the sewer treatment plant, pump stations and collection system to serve new growth in the City. Eligible projects must be listed in an adopted Wastewater System Capital Improvements Plan. Mill City does not have an adopted CIP and therefore does not charge an “improvement fee”. Until the City prepares a list of improvement projects, adopts a defensible methodology and adopts a new resolution authorizing an improvement fee that complies with the 2003 SDC regulations, the City cannot expend SDC fees for anything except debt service.

SDC funds cannot be used for annual administrative costs or for on-going operation and maintenance of the wastewater facilities. The City must use SDC funds to pay for expenditures authorized in the SDC resolution, SDC administrative costs and/or preparation of a Wastewater Facilities Plan update or Pre-Design engineering report for proposed wastewater system improvements. The only qualified use listed in Resolution 504 is for “debt service”. A number of years ago, City staff contacted Paul Nolte, a legal counsel at the League of Oregon Cities, to review the SDC statutory requirements and discuss the City’s resolution. Mr. Nolte concurred with the conclusion that until the City prepares a list of improvement projects, adopts a defensible methodology and adopts a new resolution authorizing an improvement fee that complies with the SDC statutes, the City can expend SDC fees for facilities planning and “debt service”.



## SEWER RESERVE FUND (Fund 70-74)

### SDC Charges

#### Sewer Systems Development Charges (continued)

SDC Fees Paid to City	FY 1997 to FY 2005	\$	98,942
Transferred to <b>Bonded Debt Service Fund</b> to Pay for Debt Service before 2008.			<u>(98,942)</u>
Balance of SDC Fees owed for SDCs collected through June 30, 2005.		\$	0
SDC Fees Paid to City	FY 2006 to FY 2020	\$	148,648
Transferred to <b>Bonded Debt Service Fund</b> to Pay for Debt Service			<u>91,086</u>
Balance of SDC Fees Collected by the City to be used for Debt Service or Facilities Planning		\$	57,562

Transferring funds from the **Sewer Reserve Fund** to the **Bonded Debt Fund** complies with Resolution 504. The City transferred \$60,000 in FY 2021-2022. The City can verify \$190,028 of the SDC fees paid to the City from 1997 to 2020 have been transferred to the **Bonded Debt Service Fund** and expended to pay for debt service. As of March 1, 2021, the City has a balance of \$57,562 in unexpended SDC funds.

#### *Wastewater Facilities Planning:*

In 2019 Marion County funded a wastewater facilities study for the North Santiam Sewer Authority that includes a chapter “*Mill City Sewer Capacity Analysis*”. The Keller Associates report concludes the Mill City wastewater treatment facility (WWTF) has reached 94% of the original design capacity (based on summer dry-weather flows]. The City needs to upgrade and expand the WWTF to handle growth over the next 5-10 years. Keller Associates so City funds will not have to be used for that project. The \$57,562 balance of the SDC funds may be used to debt service or to pay for a pre-design report for the wastewater treatment plant improvements.

The City has one capital improvement project proposed for the wastewater treatment plant. Public Works Director Russ Foltz proposes to replace the sewer drain field actuators with low-voltage controlled actuators. The actuators open/close to control flows to different areas of the drain field.

The City will continue to track SDC revenues and expenses annually. In future years, the City may transfer the prior year’s SDC revenues to the **Bonded Debt Service Fund** and use that money as part of the City’s annual sewer debt service payment.

## SEWER RESERVE FUND (Fund 70-74)

### Revenues and Expenditures

**Revenue Assumptions:**

Beginning Balance	\$ 141,204	
Sewer SDC Charges	\$ 16,220	Assumes 10 SDC payments @ \$1,622 per new single-family home.
Transfer IN – General Fund	\$ 80,000	Transfer In from General Fund for Sewer Improvements and to finance a Pre-Design Report for Wastewater Improvements

**Expense Projections:**

**Materials and Services:**

Admin / Legal	\$ 10,000	Consultant services for grant applications and review of pre-design report findings. Legal assistance if needed to respond to public comments on pre-design report.
Engineering	\$ 100,000	Pre-Design Report for WWTF improvements, including integration with North Santiam Sewer Authority project and DEQ review and approvals.
Miscellaneous	\$ 5,000	Miscellaneous expenses related to sewer system improvements.

**Capital Outlay:**

C/O WWTP	\$ 70,000	For Wastewater Treatment Plant repairs or improvements.
C/O Pump Stations	\$ 20,000	For Pump Station improvements or pump replacements.

**Reserved for Future Expenditures:**

Reserved Sewer	\$ 33,483	Sewer Reserves are tracked in two areas:
	\$ 33,483	Unrestricted funds which can be used for any sewer improvement project.
	\$ 0	SDC Reserve: Assumes the City will complete a Pre-Design Report in FY 2021-2022 and assign the remaining balance of the accumulated SDC funds to this project.

**FORM  
LB-11**

This fund is authorized and established by resolution/ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:  
\_\_\_\_\_

**RESERVE FUND  
RESOURCES AND REQUIREMENTS  
SEWER RESERVE FUND (70-74)**

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: May 1, 2021

**CITY OF MILL CITY**

(Name of Municipal Corporation)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS			Budget for Next Year 2021-2022			
Actual		Adopted Budget 2020-2021	Proposed By Budget Officer				Approved By Budget Committee	Adopted By Governing Body		
2018-2019	2019-2020									
1			1	RESOURCES					1	
2	145,901	185,135	183,250	2	Cash on hand * (cash basis)	141,204			2	
3	3,797	4,068	1,374	3	Interest	1,059			3	
4	-	-	-	4	Previously levied taxes estimated to be received	-			4	
5	6,488	34,064	6,488	5	SDC Sewer	16,220			5	
6	25,000	-	-	6	Grants	-			6	
7	-	-	-	7	Transfer IN from GENERAL FUND	80,000			7	
8	20,000	-	50,000	8	Transfer IN from SEWER FUND	-			8	
9			-	9					9	
10	201,186	223,267	241,112	10	Total Resources, except taxes to be levied	238,483	-	-	10	
11				11	Taxes estimated to be received				11	
12				12	Taxes collected in year levied				12	
13	<b>201,186</b>	<b>223,267</b>	<b>241,112</b>	13	<b>TOTAL RESOURCES</b>	<b>238,483</b>	-	-	13	
14				14	REQUIREMENTS **				14	
15				15	Org. Unit or Prog. & Activity	Object Classification	Detail		15	
16				16	<b>Public Works - Wastewater</b>			-	16	
17	-	-	2,500	17		M & S	Administration	10,000	17	
18	-	16,202	10,000	18		M & S	Engineering	100,000	18	
19	-	325	3,504	19		M & S	Miscellaneous	5,000	19	
20	-	30,500	50,000	20		Cap Outlay	WWTF Improvements	70,000	20	
21	16,051	-	20,000	21		C/O	Pump Station	20,000	21	
22	-	-	60,000	22		XFER	Xfer to Bonded Debt		22	
23				23				-	23	
24				24					24	
25				25					25	
26	185,135	176,240		26	Ending balance (prior years)				26	
27			95,108	27	<b>RESERVED FOR FUTURE EXPENDITURES</b>			33,483	27	
28	<b>201,186</b>	<b>223,267</b>	<b>241,112</b>	28	<b>TOTAL REQUIREMENTS</b>			<b>238,483</b>	-	28

# EQUIPMENT RESERVE FUND (Fund 70-75)

Reaffirmed May of 2014 – Next Review 2024

## Purpose of Fund:

The *Equipment Reserve Fund* is used to pay for equipment for any department of the City such as public works vehicles, mowers, generators, pump replacements and other pieces of equipment which have a life span of 5 years or more. The *Equipment Reserve Fund* can also be used to pay for capital replacement costs for equipment in public buildings including computer servers, hardware and software upgrades, HVAC systems and security systems. In prior years, the City has used the *Equipment Reserve Fund* to purchase:

- Vehicles: Dump Truck, utility truck, pickups.
- Public Works Equipment: Backhoe attachments, sweeper replacement parts
- Office Equipment: Photocopier

## Sources of Funding:

The *Equipment Reserve Fund* is funded by small annual transfers from the *General Fund*, *Water Fund*, *Sewer Fund* and *Street Fund*. When the *Equipment Reserve Fund* was established in the early 2000's the City staff recommended the Budget Committee & Council do annual transfers. Annual transfers were made through 2009 and then stopped. In FY 2018-2019, the Budget Committee and City Council agreed to an annual transfer program. In the last two years, the City has transferred \$100,000 into the *Equipment Reserve Fund*. The proposed budget includes \$45,000 in transfers; \$15,000 from the Street Fund and \$10,000 from each remaining fund.

## Vehicle and Equipment Replacement Schedule:

In order to plan for the long-term replacement of major pieces of equipment, the City should develop a "Vehicle & Equipment Replacement Schedule". Once prepared, the City Council can review it during a work session and develop a strategy for the long-term financing of these items.

- Vehicle List: Vehicle Name, Type & Model, Year, Existing Condition, Replacement Cycle # of Years, Original Cost, Future Replacement Cost, Replacement Year, Amount to be set aside each year by Fund
- Equipment List: Building Location, Same as above.

## EQUIPMENT RESERVE FUND (Fund 70-75)

### Revenues and Expenditures

#### Revenue Assumptions:

Beginning Balance	\$ 149,550	
Transfers IN	\$ 45,000	Transfers from the <i>General Fund, Water Fund, Sewer Fund</i> and <i>Street Fund</i> .

#### Expenditure Projections:

##### Capital Outlay:

C/O Equipment: Other	\$ 30,000	<i>Other Equipment &amp; Capital Replacement.</i> This line item may be used for major equipment or facility maintenance items (HVAC, roof, copier, computer server, etc.) to City Hall, Parks Restrooms or any other building or facility.  City Hall proposes to create an archiving system to copy/preserve/archive important City records. The records management system will be established to comply with the Oregon Secretary of State's public records management/retention requirements.
C/O Vehicles & Equip: PW	\$ 130,000	<i>Vehicle Replacement and Public Works Equipment.</i> The City purchased two new pickup trucks in 2020 and a small tractor/mower in 2019. No vehicle purchases are proposed in FY 2021-2022.  This line item can be used to purchase other public works equipment for use by the City in all public works areas, at the PW Shops, water plant or sewer plant.

##### Unappropriated Reserves:

Unappropriated	\$ 35,672	Reserved for future year vehicle and equipment replacement.
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**FORM  
LB-11**

This fund is authorized and established by resolution / ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:

**RESERVE FUND  
RESOURCES AND REQUIREMENTS**

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: May 1, 2024

**EQUIPMENT RESERVE FUND (70-75)**

**CITY OF MILL CITY**

(Name of Municipal Corporation)

(Fund)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS			Budget for Next Year 2021-2022			
Actual		Adopted Budget Year 2020-2021	Proposed By Budget Officer				Approved By Budget Committee	Adopted By Governing Body		
Year 2018-2019	First Preceding Year 2019-2020									
1			1	RESOURCES					1	
2	88,465	107,316	156,380	2	Cash on hand * (cash basis)			149,550		2
3	-		-	3	MISCELLANEOUS			-		3
4	553	2,745	1,173	4	INTEREST			1,122		4
5	-		-	5	SALE OF EQUIPMENT			-		5
6	10,000	10,000	10,000	6	Transfer IN from GENERAL FUND			10,000		6
7	20,000	20,000	15,000	7	Transfer IN, from STREET FUND			15,000		7
8	10,000	10,000	10,000	8	Transfer IN from WATER FUND			10,000		8
9	10,000	10,000	10,000	9	Transfer IN from SEWER FUND			10,000		9
10	139,018	160,061	202,553	10	Total Resources, except taxes to be levied			-	-	-
11				11	Taxes estimated to be received					11
12				12	Taxes collected in year levied					12
13	<b>139,018</b>	<b>160,061</b>	<b>202,553</b>	13	<b>TOTAL RESOURCES</b>			<b>195,672</b>	-	-
14				14	REQUIREMENTS **					14
15				15	Org. Unit or Prog. & Activity	Object Classification	Detail			15
16				16	<b>Public Works</b>					16
17	31,702		80,000	17		Cap Outlay	C/O Equipment:Other	30,000		17
18		3,338	50,000	18			C/O Vehicles/Equipmt: Public Wks	130,000		18
19				19						19
20				20						20
21				21						21
22				22						22
23				23						23
24				24						24
25				25						25
26				26						26
27				27						27
28				28						28
29	107,316	156,723		29	Ending balance (prior years)					29
30			72,553	30	<b>UNAPPROPRIATED ENDING FUND BALANCE</b>			35,672		30
31	<b>139,018</b>	<b>160,061</b>	<b>202,553</b>	31	<b>TOTAL REQUIREMENTS</b>			<b>195,672</b>	-	-

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

\*\*List requirements by organizational unit or program, activity, object classification, then expenditure detail. If the requirement is "not allocated", then list by object classification and expenditure detail.

# STORM DRAINAGE RESERVE FUND (Fund 70-76)

Created in May, 2021 – Next Review 2030

## Revenues and Expenditures

### Purpose:

The *Storm Drainage Reserve Fund* was a new fund in FY 2020-2021. The *Storm Drainage Reserve Fund* was created to receive and expend funds for storm drainage system improvements. In 2019, the Oregon Legislature approved a \$1.88 million grant to the City of Mill City for storm drainage improvements. The Infrastructure Finance Authority (IFA) of Business Oregon intends to sell bonds in April 2021 and then provide grant funds to the City of Mill City. Due to the COVID 19 recession and steep decline in lottery revenues, Governor Brown rescinded most lottery funded grant awards, including Mill City's. The City is working with Senator Girod in an effort to reinstate a portion of the grant award in this year's state budget.

In order to coordinate storm drainage and street improvement projects with the Santiam Canyon School District's improvements in 2020, the City borrowed \$200,000 @ 1.5% interest from the Housing Rehabilitation Fund (Fund 65) to pay for the design and construction in 2021. The loan must be repaid over a 10-year term. Under the development agreement between the Santiam Canyon School District and the City of Mill City, the City will reimburse the District for the City's share of the school area storm drainage improvements prior to June 30, 2021. Total costs will be \$164,000+/-.

The proposed budget includes \$50,000 for storm drainage improvements at Kimmel Park. As part of the Freeman Meadows Subdivision, the City required the developer to oversize the storm sewers and detention basin at Kimmel Park to serve a large area than just the subdivision. Boatwright Engineering is preparing final engineering plans and will generate a cost estimate for a development agreement.

### Revenue Assumptions:

Beginning Balance	\$	50,387	
Xfer from General Fund	\$	20,000	Transfer IN from the General Fund.

### Expenditure Projections:

#### Materials and Services:

Administration	\$	1,265	Planning consultant services for City-requested storm drainage improvements.
Engineering/Design	\$	4,500	Engineering expenses for review of storm drainage plans for the Kimmel Park drainage basin.

#### Capital Outlay:

C/O Storm Drainage	\$	65,000	City share of Kimmel Park storm sewer and detention facility.
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**FORM  
LB-11**

This fund is authorized and established by resolution / ordinance number \_\_\_\_\_ on (date) \_\_\_\_\_ for the following specified purpose:

**RESERVE FUND  
RESOURCES AND REQUIREMENTS**

Year this reserve fund will be reviewed to be continued or abolished.  
Date can not be more than 10 years after establishment.

**STORM DRAINAGE FUND (70-76)**

Review Year: May 1, 2030

**CITY OF MILL CITY**

(Name of Municipal Corporation)

(Fund)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022						
	Actual		Adopted Budget This Year 2020-2021		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body				
	Second Preceding Year 2018-2019	First Preceding Year 2019-2020									
1				1	RESOURCES			1			
2			-	2	Cash on hand * (cash basis)	50,387		2			
3				3	Interest	378		3			
4			-	4	Previously levied taxes estimated to be received			4			
5				5	Grants	-		5			
6			-	6	Transfer IN, from GENERAL FUND	20,000		6			
7			200,000	7	Transfer IN, from HOUSING REHAB	-		7			
8			-	8				8			
9				9				9			
10			-	10	Total Resources, except taxes to be levied	70,765		10			
11				11	Taxes estimated to be received			11			
12				12	Taxes collected in year levied			12			
13	-	-	-	13	<b>TOTAL RESOURCES</b>	<b>70,765</b>	-	-	13		
14				14	<b>REQUIREMENTS **</b>			14			
15				15	Org. Unit or Prog. & Activity	Object Classification	Detail	15			
16				16	<b>Public Works - Street Improvements</b>			16			
17			5,000	17		M&S	Administration	17			
18			35,000	18			Engineering	18			
19			160,000	19		Cap Outlay	C/O Storm Drainage Facilities	19			
20				20				20			
21			-	21				21			
22				22				22			
23				23				23			
24				24				24			
25				25				25			
26				26	Ending balance (prior years)			26			
27			-	27	Reserved for Future Expenditures			27			
28	-	-	200,000	28	<b>TOTAL REQUIREMENTS</b>			<b>70,765</b>	-	-	28



## BONDED DEBT SERVICE FUND (Fund 80)

**Purpose:**

The *Bonded Debt Service Fund* is used to make annual loan payments on outstanding water and sewer bond issues.

In 2017 the City refinanced the 40-year 1993 FmHA (5.0%) and the 25-year 2010 OBDD (4.62%) loans for the Sewer System. The Sewer Refinancing Bonds payment schedule started in FY 2017-2018. The new payment schedule enables the City to retire the sewer bonds in 2031, 5 years earlier than originally scheduled with an interest savings of \$200,000+.

Payment Date	Principal	Interest	Fiscal Year Total
12/15/2020	118,606	22,972	
6/15/2021		21,459	163,077
12/15/2021	121,632	22,972	
6/15/2022		21,459	163,077

*Sewer Refinancing Payment Schedule*

**Loan Balances at End of Fiscal Year – June 30, 2021:**

- 2006 OECDD Water Bond     \$ 2,148,978
- 2017 Sewer Loan             \$ 1,561,488

**Revenue Assumptions**

Beginning Balance	\$ 127,050	
Xfer from Water Fund	\$ 155,000	Annual transfer for 2006 SDWF loan payment to Oregon Business Development (OBDD).
Xfer from Water Reserve	\$ 116,400	Transfer to an \$8,400 interest payment for the 2021 SDWRLF Loan and ensure City has 1-year reserve for both the 2006 OECDD Loan and the 2021 SDWRLF Loan.
Xfer from Sewer Fund	\$ 163,000	Annual transfer for 2017 Sewer Refinancing Bond payment. Annual payments are \$163,077.
Xfer from Sewer Reserve	\$ 0	No transfer proposed for FY 2021-2022. [See Sewer Reserve Fund narrative for a detailed explanation].

## BONDED DEBT SERVICE FUND (Fund 80)

### Expense Projections:

#### Bonded Debt Payments:

##### *Principal Payments*

Water Bonds (OECDD 2006)	\$ 133,503	Principal Payment: 2006 SDWF Water Loan. Final payment in 2036.
Sewer Refinancing Bond	\$ 124,733	Principal Payment: 2017 Sewer Refinancing Bond Payment.

##### *Interest Payments*

Water Bonds (OECDD 2006)	\$ 21,490	Interest Payment: 2006 Safe Drinking Water Fund (SDWRLF) Water Loan at 1% interest.
Water Bonds (BusOR 2021)	\$ 8,400	Interest Payment: 2021 Safe Drinking Water Fund (SDWRLF) Water Loan at 1% interest
Sewer Refinancing Bond (2017)	\$ 39,818	Interest Payments: 2017 Sewer Refinancing Bond Payments. Final payment in 2031.

#### Unappropriated:

Unappropriated	\$ 234,506	Reserves. The City is required by the two Safe Drinking Water Loans to have a minimum debt coverage reserve of 1-year principal payments. These reserves will provide a reserve of 1-year principal and interest payments on the two water loans.
		<ul style="list-style-type: none"> <li>o \$ 154,993 2005 SDWRLF Reserve (1 year P &amp; I payment)</li> <li>o \$ 77,500 2021 SDWRLF Reserve (1 year P &amp; I payment)</li> <li>o \$ 2,013 Unallocated Reserve</li> <li>o Recommended additional reserve -- \$163,077 = 1 year Sewer P &amp; I Payments.</li> </ul>

BONDED DEBT  
RESOURCES AND REQUIREMENTS

Bond Debt Payments are for:

- Revenue Bonds or
- General Obligation Bonds

**BONDED DEBT SERVICE FUND (80)**

CITY OF MILL CITY

(Fund)

(Name of Municipal Corporation)

Historical Data				DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022					
Actual		Adopted Budget This Year 2020-2021	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body				
Second Preceding Year 2018-2019	First Preceding Year 2019-2020									
1				1	<b>Resources</b>			1		
2	134,792	135,030	135,996	2	Beginning Cash on Hand (Cash Basis)	127,050		2		
3				3	Previously Levied Taxes to be Received	0		3		
4	3,307	3,392	1,020	4	Interest	1,000		4		
5	155,000	155,000	155,000	5	Transferred from WATER FUND	155,000		5		
5				5	Transferred from WATER RESERVE FUND	116,400		5		
6	160,000	160,000	95,000	6	Transferred from SEWER FUND	163,000		6		
7	0	0	60,000	7	Transferred from SEWER RESERVE FUND	0		7		
8	453,099	453,422	447,016	8	Total Resources, except taxes to be levied	562,450		8		
9				9	Taxes Estimated to be Received *			9		
10				10	Taxes Collected in Year Levied			10		
11	<b>453,099</b>	<b>453,422</b>	<b>447,016</b>	11	<b>TOTAL RESOURCES</b>	<b>562,450</b>	<b>0</b>	<b>0</b>	11	
					<b>Requirements</b>					
					<b>Bond Principal Payments</b>					
12				12	Bond Issue	Budgeted Payment Date			12	
13	129,576	130,872	132,181	13	Water - OECCD 2006	1-Dec	133,503	0	13	
14				14	Water - Bus OR IFA - 2021	1-Dec	0		14	
15				15					15	
16	115,658	118,606	121,632	16	Sewer - REFI 2017	1-Dec	124,733		16	
17				17					17	
18	<b>245,234</b>	<b>249,478</b>	<b>253,813</b>	18	<b>Total Principal</b>		<b>258,236</b>	<b>0</b>	<b>0</b>	18
					<b>Bond Interest Payments</b>					
19				19	Bond Issue	Budgeted Payment Date			19	
20	25,416	24,120	22,812	20	Water - OECCD 2006	1-Dec	21,490		20	
21				21	Water - Bus OR IFA - 2021	1-Dec	8,400		21	
22				22					22	
23	47,419	44,432	42,920	23	Sewer - REFI 2017	1-Dec 2021	39,818		23	
24			-	24	Sewer - REFI 2017	15-JUNE 2022	-		24	
25	<b>72,835</b>	<b>68,552</b>	<b>65,732</b>	25	<b>Total Interest</b>		<b>69,708</b>	<b>0</b>	<b>-</b>	25
					<b>Unappropriated Balance for Following Year By</b>					
26				26	Bond Issue	Projected Payment Date			26	
27			0	27	Water-OECCD 2006	1-Dec 2022	154,993	0	0	27
28			0	28	Water - Bus OR IFA - 2021	1-Dec 2022	77,500	0	0	28
29				29	Unappropriated-Unassigned		2,013	0	0	29
30	135,030	0		30	Ending balance (prior years)					30
31			127,471	31	<b>Total Unappropriated Ending Fund Balance</b>		<b>233,506</b>	<b>0</b>	<b>0</b>	31
32				32	Loan Repayment to _____ Fund					32
33				33	Tax Credit Bond Reserve					33
34	<b>453,099</b>	<b>318,030</b>	<b>319,545</b>	34	<b>TOTAL REQUIREMENTS</b>		<b>562,450</b>	<b>0</b>	<b>0</b>	34

## FY 2021-2022 Budget All Funds Summary – Proposed Budget

Fund #	Name of Fund	Revenues	Expenditures								
			Personal Services	Materials & Services	Capital Outlay	Debt Service	Transfers	Contingencies	Total Approp.	Unapprop RFE	Total Budgeted
10	General	1,953,484	204,350	523,942	20,000	21,687	965,000	118,505	1,853,484	100,000	1,953,484
20	Street	275,011	62,200	70,850	0		55,000	46,961	235,011	40,000	275,011
30	Water	644,413	217,750	111,050	5,000		215,000	45,613	594,413	50,000	644,413
40	Sewer	566,932	184,500	122,150	5,000		173,000	32,382	516,932	50,000	566,932
50	Railroad Bridge	400,352		15,352	385,000				400,352	0	400,352
55	Skate Park	42,946		5,446	37,500				42,946	0	42,946
60	Canyon Journeys Trail	151,176		22,500	125,000			3,676	151,176		151,176
65	Housing Rehabilitation	86,343		82,000	0		0	4,343	86,343	0	86,343
70 71	General Facilities Reserve	1,063,899		80,000	250,000		10,000		340,000	723,899	1,063,899
70-72	Water System Reserve	2,727,442		303,400	2,257,000		116,400		2,681,800	50,642	2,727,442
70 73	Street Reserve	381,454		22,000	335,000		15,000		357,000	9,454	381,454
70 74	Sewer Reserve	238,483		115,000	90,000		0		205,000	33,483	238,483
70-75	Equipment Reserve	195,672			160,000				160,000	35,672	195,672
70-76	Storm Drainage Reserve	70,765		5,765	65,000				70,765	0	70,765
80	Bonded Debt Service	562,450				327,944			327,944	234,506	562,450
	<b>Totals</b>	<b>9,360,824</b>	<b>668,800</b>	<b>1,479,455</b>	<b>3,734,500</b>	<b>349,631</b>	<b>1,549,400</b>	<b>251,380</b>	<b>8,033,166</b>	<b>1,327,656</b>	<b>9,360,822</b>