



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
Phone: 541.563.3529 – Fax 541.563.4246 – Email: info@srwd.org

Seal Rock Water District

2018-2019 °

Budget





PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
Phone: 541.563.3529 – Fax 541.563.4246 – Email: info@srwd.org

Seal Rock Water District

SEAL ROCK WATER DISTRICT
Notice of Budget Committee Meeting &
Agenda **Thursday April 19, 2018 at 6:00 PM**
Seal Rock Water District Office
1037 NW Grebe St. Seal Rock, Oregon

1. Board President Calls Budget Committee Meeting to Order at 6:00 P.M.
2. Elect Presiding Officer for Budget Committee Meeting
3. Read Budget Message for Fiscal Year 2018-2019
Provided by: Adam Denlinger, General Manager
4. Amend / Approve Budget Document
5. Public Comment
6. Recommended Motion required after budget document approval:

Motion to approve the Permanent Rate Limit for General Fund Operations as .1259 per 1000 of the total assessed value of the District, and the Exempt Bond amount of \$770,300 as the ad valorem property taxes to be certified for collection, as of July 1, 2018.

PLEASE NOTE: The above permanent rate limit for operations is determined by the County to comply with the tax measures approved by voters.

8. Adjourn Budget Committee Meeting.
9. Budget Hearing is on May 10, 2018 @ 4:00 p.m.

THIS AGENDA MAY BE AMENDED UNTIL 3:00 PM THE DAY BEFORE THE MEETING

SPECIAL ACCOMMODATIONS WILL BE PROVIDED WITH 48 HOUR NOTICE; CALL 541-563-3529.
IF HEARING IMPAIRED, PLEASE CALL TTY#1-800-735-1232



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
 Phone: 541.563.3529 – Fax 541.563.4246 – Email: info@srwd.org

Seal Rock Water District

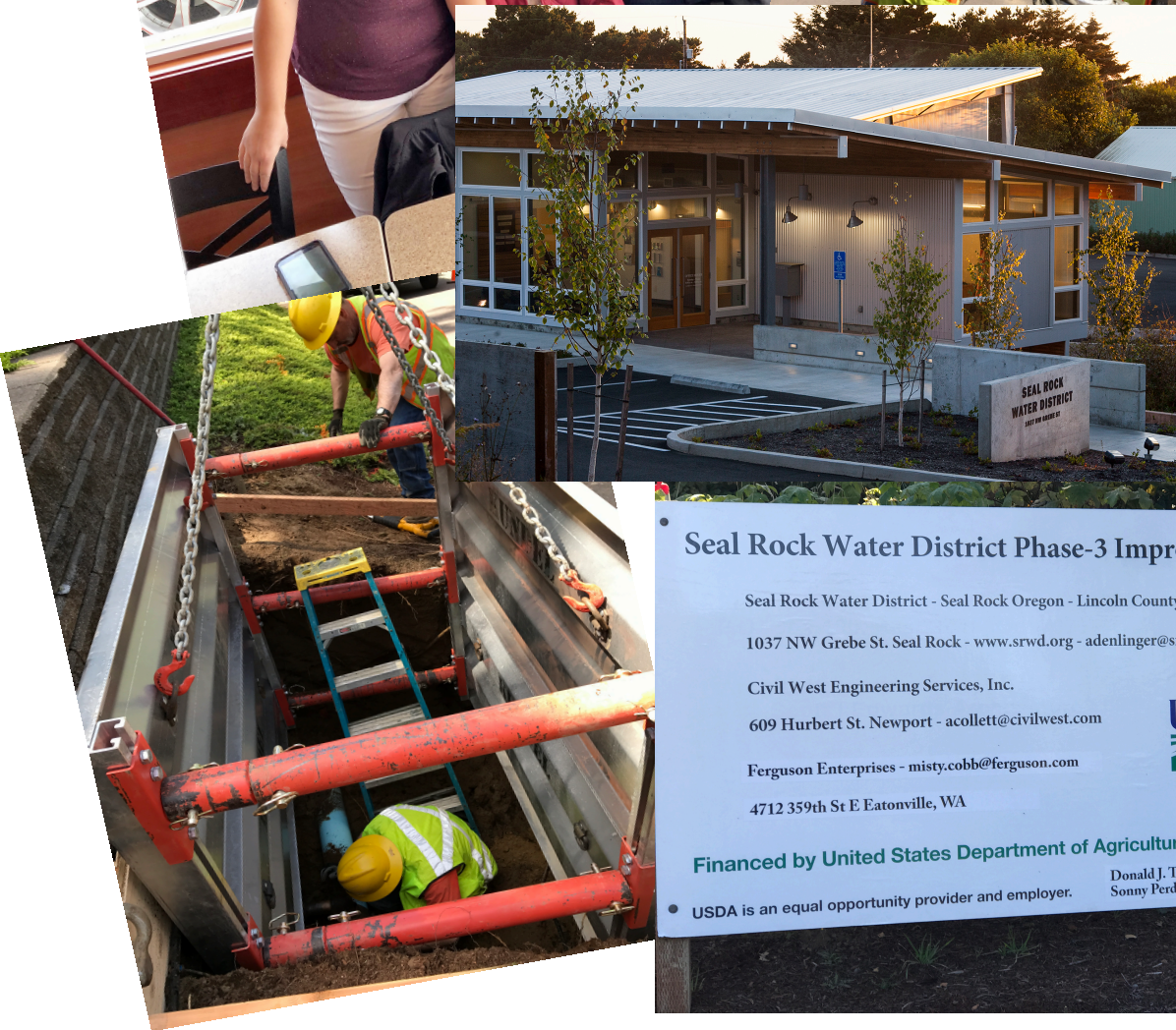
Budget Calendar

2018-19

#	Description	Schedule	Dates
1	Appoint Budget Officer	January Regular Board Meeting	Jan. 11, 2018
2	Appoint/Reappoint Budget Committee	January Regular Board Meeting	Jan. 11, 2018
3	Publish 1st Notice of budget meeting	No more than 30 days before the meeting	Mar. 30, 2018
4	Publish 2nd Notice of budget meeting	No less than 5 days before the meeting	Apr. 11, 2018
5	*Budget Committee Meets for the first time	3rd Thursday in April	Apr. 19, 2018
6	Publish Notice/Summary Budget Hearing	5 to 30 days before Hearing	Apr. 27, 2018
7	Budget Hearing/determine Tax Levy	May Regular Board Meeting	May 10, 2018
8	Consider Resolutions to: <ul style="list-style-type: none"> • Adopt budget • Make appropriations • Levy taxes by fund 	June Regular Board Meeting or special meeting but before June 30th	June 14, 2018
9	Submit tax certification to Assessor Office	By July 15th (date set by law)	July 6, 2018
10	Submit copy of complete budget to County Clerk	By September 30	July 6, 2018

**Additional meetings can be held if the budget is not approved by the Budget Committee on April 19, 2018*

The District is within and serves a significant portion of Lincoln County. The county is the second largest of Oregon counties, with a 2012 population of 49,000 which represents an increase of 4.9% since 2007. Customer growth (meter installations) for the District has grown by 1% over the same five year period. The District's service is largely residential, with some commercial business centered on tourism which have contributed significantly to the economy of the County. Future growth potential for SRWD's service area is expected to be in single family housing, apartments, and condominiums.



Seal Rock Water District Phase-3 Improvements 2801-018

Seal Rock Water District - Seal Rock Oregon - Lincoln County

1037 NW Grebe St. Seal Rock - www.srwd.org - adenlinger@srwd.org

Civil West Engineering Services, Inc.

609 Hubert St. Newport - acollett@civilwest.com

Ferguson Enterprises - misty.cobb@ferguson.com

4712 359th St E. Eatonville, WA



United States Department of Agriculture

Financed by United States Department of Agriculture (USDA) Rural Development

Donald J. Trump, President of the United States
Sonny Perdue, Secretary of Agriculture

USDA is an equal opportunity provider and employer.



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
Phone: 541.563.3529 – Fax 541.563.4246 – Email: info@srwd.org

Seal Rock Water District

Date: February 16, 2018
To: SRWD Budget Committee Member
From: Adam Denlinger, GM
Seal Rock Water District
RE: Budget Committee Meeting

Dear Budget Committee Member

On behalf of the District please accept our sincere gratitude for your continued service on the Seal Rock Water District, Budget Committee. Your continued service and leadership is greatly appreciated.

Serving as the recently appointed budget officer, it will be my great pleasure to serve with you and others on the Budget Committee as we work together to develop the District's 2018 – 2019 budget in the days and weeks to come.

Enclosed please find the budget calendar for the 2018 – 2019 budget process. We have scheduled the budget committee meeting for 6:00 pm on April 19, 2018. It is our intent to provide you with a proposed budget document in advance of the meeting.

We look forward to seeing you in April, please feel free to contact me, or Joy King our Office Manager if you have any questions.

Sincerely,

A. Denlinger

Adam Denlinger
General Manager

cc: Joy King, Office Manager
enc: 2018/2019 Budget Calendar



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
Phone: 541.563.3529 – Fax 541.563.4246 – Email: info@srwd.org

Seal Rock Water District

2018-2019 Annual Budget

District staff would like to extend our sincere appreciation to the SRWD Board of Commissioners and Citizen Members of the Budget Committee. The District greatly appreciates your leadership and dedication in assisting with this year's annual budget process.

SRWD Board of Commissioners:

- 1) Position 1 – Sandra Mies-Grantham – Re-elected May 2017 4 year term – Term expires 6/30/21
- 2) Position 2 – John Garcia – Re-elected May 2017 4 year term – Term expires 6/30/21
- 3) Position 3 – Karen Otta – Elected May 2017 4 year term – Term expires 6/30/21
- 4) Position 4 – Glen Morris – Re-elected May 2015 4 year term – Term expires 6/30/19
- 5) Position 5 – Robert Mills – Re-elected May 2015 4 year term – Term expires 6/30/19

Appointed Budget Committee Members (3 YEARS TERM)

- | | | |
|----------------------|-------------|-------------------------------------|
| 1) Deanna Gravelle | Reappointed | Jan 2017 - Term Expires – June 2020 |
| 2) James Senn | Reappointed | Jan 2016 - Term Expires – June 2019 |
| 3) Barry Compton | Reappointed | Jan 2016 - Term Expires – June 2019 |
| 4) Tom Ryan | Appointed | Feb 2018 - Term Expires – June 2019 |
| 5) Barbara Flewellyn | Reappointed | Jan 2016 - Term Expires – June 2019 |

District Organizational Chart:



Local Budget Law



Local Budgeting in Oregon





Local Budgeting in Oregon

Table of contents

First, the basics.....	1
What is the law?	
What is a budget?	
Who is on the budget committee?	
The budget cycle.....	2
The nine steps	
The budget document	3
What is a fund?	
What is an organizational unit?	
What is a program?	
Budget format	
Revenues	
Expenditures	
Taxes and budgeting.....	5
Elections and budgeting	5
Election dates	
The budget process	6
Appropriations and their use.....	7
Appropriations transfers	
Supplemental budgets	
Audits.....	8
Biennial budgeting.....	8
Questions and answers	9
Checklists	13
Glossary.....	13
Where to get help	15

For additional copies, write to:

Publications
Oregon Department of Revenue
PO Box 14380
Salem OR 97309-5075



please recycle



Local Budgeting in Oregon is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual*. This booklet will introduce you to the requirements of Oregon's Local Budget Law, but it is not a substitute for the *Manual*. Before you take any formal action in the budget process, consult the *Manual*.

First, the basics

What is the law?

Most local governments in Oregon, from the smallest cemetery district to the largest city, must prepare and adopt an annual or biennial budget. (The only exceptions are a few types of local governments specifically exempted.) Schools, counties, cities, ports, rural fire protection districts, water districts, urban renewal agencies, and special districts are all subject to the same budget provisions.

This is not unusual. Many states have specific laws which require units of local government to prepare and adopt annual operating budgets. Yet, Oregon's budgeting system is considered one of the most progressive in the nation. Why?

Look at Oregon's Local Budget Law. (You'll find it in Chapter 294 of the Oregon Revised Statutes.) The law does two important things:

1. It establishes standard procedures for preparing, presenting, and administering the budget.
2. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before its formal adoption.

Many people rely on you, as an elected or appointed official, to see that the annual budget is prepared correctly. State officials check to see that the budget is prepared and administered according to law, and citizens in your district check to see that programs they want and need are adequately funded. This makes budgeting in Oregon a joint effort between the people affected by the budget and the appointed and elected officials responsible for providing the services.

To give the public ample opportunity to participate in the budgeting process, local budget law requires that a budget officer be appointed and a budget committee be formed. The budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally approved. Notices are published, budgets are made available for public re-

view, and at least two opportunities for public comment are provided. These requirements encourage public participation in the budget-making process and give public exposure to budgeted programs and fiscal policies before their adoption.

Naturally, citizen involvement varies from one community to the next. If the patrons in your district are active and involved, you may find citizens asking for information not specifically required under local budget law. It is up to your local government to prepare a budget that clearly outlines its fiscal policies and is satisfactory to the voters of the district. If you can make your budget clear and concise, you'll find that taxpayers have a better understanding of the purposes for which their tax dollars are spent. You may also find the citizen input informative and beneficial.

What is a budget?

A budget is a financial plan containing estimates of expenditures and revenues for a single fiscal year (July 1 through June 30).

Note: Local governments have the option of budgeting on a 24-month "biennial" budget period or by fiscal year. For the differences entailed in biennial budgeting, see page 8. Throughout this booklet, we refer to "fiscal year" but if a local government adopts a biennial budget, the period referred to is a 24-month period.

Besides outlining programs for the coming year, the budget controls the local government's spending authority. Since the budgeting process encourages citizen input, the budget is also a vehicle for obtaining public opinion about proposed programs and fiscal policies of your district.

The content and detail of each budget will vary substantially because of differences in the purpose, size, and complexity of local governments.

Who is on the budget committee?

The budget committee consists of the members of the local governing body (such as county commissioners or school board members) and an equal number of citizens at large. The citizens are appointed by the governing body and serve terms of three years. Terms are staggered so that about one-third of the appointed terms end each year.

Note: For most of the districts in Multnomah County, because the Tax Supervising and Conservation Commission (TSCC) holds the budget hearing, the governing body is the budget committee and there are no appointive members. These districts should consult with the TSCC about their processes. This publication addresses the budget committee process for all other districts in the state.



The budget cycle

The nine steps

Budgeting is not something you do once a year. It's a continuous operation, and it takes 12 months to complete a cycle. The budgeting process is actually in three parts: The budget is prepared, approved, and finally adopted. Your budget must be prepared far enough in advance so that it can be adopted before June 30. After adopting the budget, the governing body will make the necessary appropriations and certify the tax levy to the county assessor.

To simplify this rather complex process, we've divided budgeting into nine steps.

Preparing the budget

1. **Budget officer appointed.** Each local government must have a budget officer, either appointed by the governing body or designated in the local government's charter. The budget officer is under the supervision of either the executive officer or the governing body.
2. **Proposed budget prepared.** The budget officer is responsible for preparing or supervising the preparation of the proposed budget for presentation to the budget committee.

Approving the budget

3. **Budget officer publishes notice.** When the proposed budget and the budget message are ready, the budget officer publishes a "Notice of Budget Committee Meeting." If notice is only published in a newspaper of general circulation, it must be published at least twice, five to 30 days before the scheduled budget committee meeting date. The notice may be published once in a newspaper (five to 30 days prior to the scheduled budget committee meeting) as long as it is also published on the local government's website at least 10 days before the meeting. The newspaper notice must include the website address. If notice is hand delivered or mailed, only one notice is required not later than 10 days prior to the meeting.
4. **Budget committee meets.** At least one meeting must be held to 1) receive the budget message and budget document, and 2) hear the public. The budget officer provides a copy of the proposed budget to each member of the budget committee. The copies may be distributed any time before the advertised bud-

get committee meeting. It is also acceptable to wait and distribute the budget at the advertised meeting. When the budget is given to the budget committee, it becomes a public record and must be made available to the public.

The budget committee members cannot get together in person, by telephone, or email before the advertised meeting to discuss the budget. All budget discussions must be held at public meetings.

At the budget committee meeting, the budget message is delivered. The budget message explains the proposed budget and significant changes in the local government's financial position. At this meeting, the budget committee may provide members of the public the opportunity to ask questions about or comment on the budget. If public comment is not allowed at this meeting, the budget committee must provide the public with the opportunity at subsequent meetings.

After the initial meeting, if needed, the budget committee may meet as many times as needed to revise and approve the budget. If two or more meetings are held to take comment from the public, only the first meeting to do so must meet the publication requirements explained in step 3. Notice of additional meetings for this or any other purpose may be provided in the same time frame and manner as notices of meetings of the governing body. Notice of other meetings of the budget committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

5. **Committee approves budget.** When the budget committee is satisfied with the proposed budget, including any additions to or deletions from the one prepared by the budget officer, the budget is approved. If the budget requires an ad valorem tax to be in balance, **the budget committee must approve an amount or rate of total ad valorem property taxes to be certified to the assessor.**

Advertising and holding hearings

6. **Budget summary and notice of budget hearing published.** After the budget is approved, a budget hearing must be held by the governing body. The budget officer must publish a summary of the budget approved by the budget committee and notice of budget hearing five to 30 days before the scheduled hearing. This information must either appear in a newspaper of general circulation, be mailed, or be hand delivered.

If no newspaper is published in your district and estimated expenditures for the ensuing year do not exceed \$100,000, you may provide the budget summary and notice of budget hearing by posting it in three conspicuous places within the district for at least 20 days prior to the date of the hearing.

See the *Manual* for details on publication requirements.

7. **Budget hearing held.** The budget hearing must be held by the governing body on the date specified on the public notices.

The purpose of the hearing is to receive citizens' testimony on the budget approved by the budget committee. Additional hearings may be held. All hearings are open to the public.

Adopting the budget

8. **Budget adopted, appropriations made, tax levy declared and categorized.** By law, the governing body may make changes in the approved budget before or after it is adopted, but no later than the beginning of the fiscal year to which the budget relates. However, without first publishing a revised budget summary and holding another budget hearing:

- Taxes may not be increased beyond the amount approved by the budget committee, and
- Estimated expenditures in a fund may not be increased by more than \$5,000 or 10 percent, whichever is greater.

After the budget hearing, and after considering relevant testimony, the governing body adopts the budget. **It should not be formally adopted until the latter part of June** so last-minute revisions to revenue or expenditure estimates can be incorporated.

The governing body must enact a resolution or ordinance to 1) formally adopt the budget, 2) make appropriations, and if needed, 3) levy, and 4) categorize any tax. The budget is the basis for making appropriations and certifying the tax levy. The resolution or ordinance must be adopted no later than June 30. See the *Manual* for the format of the resolution or ordinance.

9. **Budget filed and levy certified.** The final step in the budget cycle is to certify any necessary property tax levy.

Districts levying a property tax must submit to the county assessor's office on or before July 15:

- Two copies of notice of levy and the categorization certification, and
- Two copies of the budget resolution or ordinance.

Each local district that does not levy a property tax must send a copy of the resolution adopting its budget and making appropriations to the Department of Revenue on or before July 15. All local districts send a copy of the complete budget to the county clerk on or before September 30. School districts also submit a copy of the budget to the county education service district office and to the Oregon Department of Education.



The budget document

All budgets must meet certain minimum requirements, outlined here. For specific examples consult the *Manual*.

Under local budget law the budget must follow a basic format. Expenditures generally are broken down first by fund, then by organizational unit or program, and then, more specifically, by object classification and object. Revenues are broken down by fund, at the least.

What is a fund?

A fund is a fiscal and accounting entity with self-balancing accounts set aside to carry on a specific activity or to meet certain objectives in accordance with a specific regulation. The requirements and resources of a fund must always balance. Every budget has at least one fund (commonly called the General Fund) which is used for everyday operation of the local government.

Depending on the size and complexity of your local government and the services it provides, your district may also have a number of special funds. The most common reason for establishing a special fund is to account for a revenue source whose use is limited to a particular kind of expenditure. Examples include: debt service funds, construction funds, reserve funds, street funds, water funds, and sewer funds.

What is an organizational unit?

Some funds are broken down to account for one or more organizational units or activities, which are merely subdivisions of a fund. An organizational unit might be a department, office, or division. What you call these units is up to your local government.

What is a program?

Budget requirements may be prepared by program. Programs are groups of activities to accomplish a major service or function. Schools use programs in budgeting.

Budget format

Your budget detail sheets for expenditures and revenues must show in parallel columns:

1. Actual expenditures and revenues for two years preceding the current year.
2. Budgeted requirements and revenues for the current year.

- Estimated requirements and revenues for the coming fiscal year. Upcoming fiscal year estimates should be broken into three columns: proposed, approved, and adopted, showing estimated amounts as they are considered through each step of the budget process.

Information in each column must be itemized to show all estimated or incurred requirements and revenues.

Revenues

Budget revenues are divided into two types: ensuing year property tax and nonproperty tax revenues. Property taxes shown in your budget will not be the same as the property tax “levy” you submit to the assessor.

There are three reasons for this. First, not all taxpayers pay their taxes in the year billed. Second, discounts are given for timely property tax payments. Third, the Oregon Constitution sets a limit on the amount of taxes that can be collected from an individual property.

You must estimate the amount of taxes to be lost because of the “constitutional limits” and “discounts allowed and other uncollected amounts.”

The total of these amounts plus estimated taxes to be received cannot exceed your district’s taxing authority, which includes its rate limit, voter approved local option levies, and levies to repay bonded debt. This total is the amount of tax levy that is certified to the assessor.

The amount estimated as “loss due to constitutional limit” will vary from district to district. Late in October or early November each year, the tax collector sends the district a report on the amount of taxes that will actually be billed for the district. This is called the taxes imposed.

“Discounts allowed and other uncollected amounts” normally will represent only a small percentage of the property tax levy. Contact your county tax collector for help in determining this percentage.

You next need to calculate how much tax revenue can be raised using the district’s permanent rate limit.

$$\begin{array}{c} \text{Rate Limit} \\ \text{times} \\ \text{Estimated District Assessed Value} \\ \text{equals} \\ \text{Amount Raised By Rate Limit} \end{array}$$

This amount plus any local option taxes or bond levies, less the estimate of taxes to be lost, is the amount of tax revenue estimated to be received. If this amount is less than the amount needed for the budget, requirements must be reduced, other sources of revenue found, or additional taxing authority approved by voters.

Expenditures and requirements: by fund

Under the law, budget expenditures and other requirements must be itemized to show all estimated expenses. The estimates may be prepared either by program or organizational unit. Within any fund each expenditure must be detailed and identified, arranged by organizational unit if applicable, and put into one of these major object classifications:

- Personnel services** includes all salaries, fringe benefits, and miscellaneous costs associated with salary expenditures.
- Materials and services** includes contractual and other services (example: audit or legal services), materials, supplies, and other charges.
- Capital outlay** includes acquisition of land, buildings, improvements, machinery, and equipment.

Some special expenditures and requirements do not fit logically into one of these three object classifications. These are put in special categories. The most common special categories are:

- Debt service** includes repayment of principal and interest on bonds, interest-bearing warrants, and short term loans.
- Transfers.** An amount to be given as a resource to another fund in the budget.
- General operating contingencies.** A special amount set aside in the upcoming year for unforeseen expenses.
- Unappropriated ending fund balance.** A special amount set aside in a budget for use as a resource in the beginning of the next fiscal year after it was budgeted.

Expenditures and requirements: program budgets

Program budgets are prepared differently. Estimates for each program must be arranged by activity and then put into separate object classifications, as already described.



Taxes and budgeting

Many local governments rely heavily on property taxes to finance services they offer. In some cases, services are paid for entirely by property taxes.

The amount and type of tax a local government may levy is limited by the Oregon Constitution and Oregon law. The constitution allows a local government to levy annually the amount that would be raised by its permanent rate limit without further authorization from the voters. Revenue from the permanent rate-limited levy can be used for any purpose.

When a local government has no permanent rate limit or when the rate limit does not provide enough revenue to meet estimated expenditures, the government may request a local option levy from the voters. These levies are in excess of the rate limit and require voter approval. Currently, ESDs cannot use the local option tax. Schools and community colleges can use the local option tax, but the amount they may request is limited.

A local option can be used for general purposes or a specific activity. The levy may be stated as a total dollar amount or rate to be levied uniformly for a period. If the levy is for an operating purpose, the period cannot exceed five years. If the levy is for a capital project, the period cannot exceed 10 years or the life of the capital asset, whichever is less.

A debt service levy is used only to pay principal and interest on bonds. The constitution does not require voters to approve this type of levy each year. That's because voter approval of a bond issue is considered approval of levies necessary to repay bond interest and principal.

By law, some local governments are limited on the total amount of tax they may levy. These limits are computed as a percentage of a local government's property value. For specific examples, consult the *Manual* or the Department of Revenue, Finance and Taxation Unit.

Tax levies not made according to law may be voided by an appeal to the Oregon Tax Court. Appeals can be made by the county assessor, county court, board of commissioners, Oregon Department of Revenue, Tax Supervising and Conservation Commission, or 10 or more interested taxpayers. An appeal must be submitted within 30 days after the local government certifies the tax levy to the county assessor.

In addition, since 1991, the Oregon Constitution has limited the amount of taxes that may be imposed on any property. For any property, the maximum amount of taxes to support the public school system is \$5 per \$1,000 of real market value. The maximum amount of taxes to support other government operations is \$10 per \$1,000 of real market value. Certain types of taxes may not be subject to the limit. See the *Manual* for further information.



Elections and budgeting

Many local governments find that available revenues, including revenue from levies made under the permanent rate limit, are not enough to finance proposed expenditures. In this case, there are two alternatives:

1. Lower the proposed expenditures to equal available revenues, or
2. Schedule a tax levy election to obtain voter approval to levy a local option tax.

All local governments that decide to schedule a levy election are limited to four election dates each year. The levy election must be on one of these dates.

See your county elections officer for more information. The county elections officer publishes election notices, sample ballots, and a list of polling places.

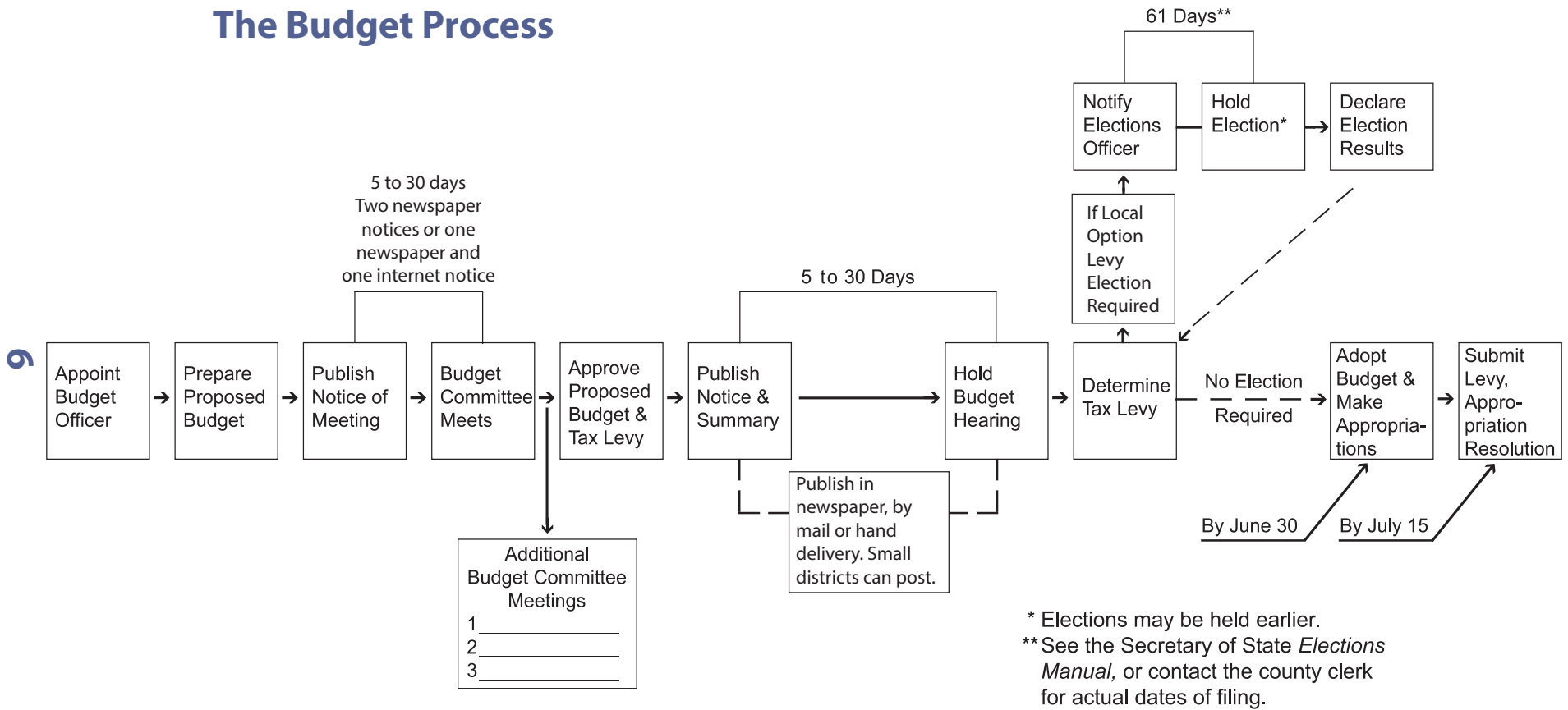
Election dates

- Second Tuesday in March
- Third Tuesday in May
- Third Tuesday in September
- First Tuesday after the first Monday in November

Even if the voters have not yet approved the tax levy before the end of the fiscal year, the governing body must adopt the budget and make appropriations by June 30 to lawfully spend public funds in the new fiscal year. When the district is planning on a tax levy election in September, it must request in writing from the county tax assessor an extension to certify its tax levy. When the tax levy is finally determined, the governing body adopts the resolution to levy taxes and submits its final levy certification to the assessor. If the late levy election failed, the governing body must reduce its budget appropriations to reflect the amount of taxes it actually has authority to levy.

Tax levy ballot language sometimes must contain certain wording or statements required by law or must not exceed other limits. For more details, see the *Manual*, or download a copy of the *Tax Election Ballot Measure Manual* (150-504-421).

The Budget Process





Appropriations and their use

When the nine budget steps are completed and the new fiscal year begins, the governing body works from appropriations. Amounts listed in the appropriation resolution provide authority to spend public funds in the next 12 months. However, appropriations may be made in broader categories than the detail presented in the budget.

District spending is limited to the schedule of appropriations. But what if it is necessary to exceed original appropriations? This may be done after transferring appropriations or preparing a supplemental budget. There are special provisions for exceeding appropriations due to civil disturbance, fire, flood, earthquake, or other calamity.

Appropriation transfers

The governing body's spending authority in existing appropriations may be changed by 1) transferring amounts among existing appropriations in the same fund, or 2) transferring from an existing appropriation in one fund to an existing appropriation category in another fund.

Whenever you need to transfer an appropriation, the governing body must enact a resolution or ordinance providing for the transfer. This enactment must be made before any overexpenditure is incurred. Once a transfer is authorized, the expenditures can be made.

Supplemental budgets

By transferring appropriations, a governing body usually has enough flexibility to carry out the programs prescribed in an adopted budget. But there will be times when an adopted budget gives no authority to make certain expenditures or when revenues are received for which the governing body had no previous knowledge. In these cases it is possible to use a supplemental budget to authorize expenditures or spend additional revenues in a current fiscal year. (There are a few special revenues which may be spent without a supplemental budget.) Supplemental budgets cannot be used to authorize a tax levy.

Local budget law does not contemplate the involvement of the budget committee in adopting supplemental budgets. The governing body may adopt a supplemental budget at a regular public meeting if prior notice is given and the expenditures in the supplemental budget are 10 percent or **less** than of the budget fund being adjusted. If the expenditures are more, the governing body must

publish a summary of the changes in the supplemental budget and hold a special hearing.

Public officials who spend money unlawfully, in excess of authorized amounts or for purposes not provided by law, are civilly liable. The district attorney or a taxpayer may file suit for return of the money.

For more details, see Oregon Revised Statute 294.471 or the *Manual*.



Audits

The final phase in the budgeting cycle is an audit of the previous fiscal year. This usually is done soon after a new fiscal year begins. Most local governments are subject to Oregon's Local Budget Law. Most of these governments are required to have their accounts and fiscal affairs audited and examined annually.

An audit must be done by the Secretary of State or an auditor certified by the Oregon State Board of Accountancy to conduct municipal audits. The auditor examines financial statements, books, records, and other financial data of your local government. The auditor also will look at any activities that relate to collection, receipt, custody, handling, expenditure, or disbursement of public funds.

Contact the Secretary of State's office, Audits Division for further explanation or questions.



Biennial budgeting

Local governments may budget either on a one-year (fiscal year) or a two-year (biennial) cycle. The governing body may, by ordinance, resolution, or charter, provide that the budget be prepared for a period of 24 months. The biennial budget period begins July 1 and ends June 30 of the second following calendar year. In brief, the differences between fiscal year budgeting and biennial budgeting are:

1. Members of a budget committee who prepare a biennial budget are appointed to four-year terms. The terms of the members should be staggered so that one-fourth of the terms end each year.
2. The budget estimate sheets containing the estimates of resources and expenditures in a biennial budget must show:
 - Actual expenditures for the two budget periods preceding the current budget period,
 - The estimated expenditures for the current budget period, and
 - The estimated expenditures for the ensuing budget period.
3. The summary of the budget as approved by the budget committee that is published along with the notice of the budget hearing will show the proposed budget for a two-year period.
4. If a taxing district adopts biennial budgeting, the budget committee must approve the amount or rate of ad valorem property taxes for each year of the biennium.
5. After the budget committee approves a biennial budget and before the budget is adopted, the governing body may not increase the amount of estimated expenditures for the biennium in any fund by more than \$10,000 or 10 percent, whichever is greater, and may not increase the amount or rate of the tax levies approved by the budget committee for either year of a biennial budget unless the amended budget document is republished and another budget hearing is held. Once the budget is adopted, the tax amount cannot be increased in the second year.
6. If a district adopts a biennial budget, then after the budget hearing and before the June 30 that precedes the start of the budget period, the governing body must pass a resolution or ordinance to adopt the budget and make appropriations for the ensuing 24-month budget period. The governing body must also pass a resolution or ordinance to levy and categorize property taxes for each year of the ensuing budget period.

7. Whether a budget is for a fiscal year or for a biennium, certification of property tax levies and a copy of a resolution or ordinance levying and categorizing taxes for the ensuing year must be submitted to the county assessor every year by July 15.
8. Districts that must submit their budgets to the Department of Revenue or to the Tax Supervising and Conservation Commission must do so only during the first year of a biennial budget period.



Questions and answers

What is a budget committee?

The budget committee is the district's fiscal planning advisory committee. The committee consists of the elected governing body members and an equal number of qualified district voters appointed by the governing body.

Who can serve on a budget committee?

Any qualified voter of the district appointed by the governing body except officers, agents, or employees of the district.

Are budget committee members paid for their work?

Budget committee members cannot receive any compensation for serving as committee members. They may be eligible to receive reimbursement for travel or meal expenses that are incurred as a result of meetings or other authorized committee functions.

How long do members serve?

Citizen budget committee members are appointed by the governing body for three-year terms. Terms are staggered so that approximately one-third of the terms expire each year. Members may be re-appointed for successive terms. If a member resigns, becomes ineligible, or is unable to serve out his or her term of office, the governing body appoints a replacement to complete the term. There is no provision in the law for "alternate" members.

What if no one will serve on the budget committee?

If the governing body is unable to appoint qualified individuals to vacant positions, the budget committee may function with a reduced number of members. For example, if a five-member governing body, after making a good faith effort to seek qualified citizen members, can fill only three of the appointed positions, the budget committee can function with eight members rather than ten. A majority would then be five instead of six. The membership may not be reduced because governing body positions are currently vacant.

Who are the budget committee officers?

Only a presiding officer position is required by law. The presiding officer's duties are to chair budget committee

meetings. The chair can be either an elected or appointed member. Some districts may elect a vice chair to conduct meetings in the presiding officer's absence. The committee should also designate someone to be responsible for keeping an official record of its proceedings. All members of the budget committee have the same degree of authority and responsibility.

What is the budget committee's main function?

In a series of public meetings the budget committee meets to review, discuss, make additions or deletions, and approve the proposed budget presented by the local government's budget officer. Upon completion of its deliberations, the committee approves the budget and sets the tax rate or amount needed to balance the budget.

What are the rules about budget committee meetings?

Budget committee meetings are open to the public. A quorum is required to conduct committee business. A majority of the budget committee membership is required to approve any motion.

Minutes of each meeting are kept. The minutes are the official record of budget committee meetings. It is important that minutes are accurate. The budget process is required by law and districts may need to document that the process was in compliance with state statutes. The approval of the final budget document and the rate or amount of tax to be imposed, in particular, should be in the form of motions with the votes recorded in the minutes.

What happens at the first budget committee meeting?

Generally, the budget committee elects a chair and other officers, receives the budget message, hears patrons, sets dates for future meetings, and adopts rules of order. These rules should establish an operating procedure for the budget review process. The committee may adopt Robert's Rules of Order or establish its own. In any event, the budget committee needs to discuss and agree upon a procedure. The committee may not adopt any rule which would allow it to take official action with approval of less than a majority of its members in agreement.

What happens at subsequent budget meetings?

Generally, the second and other subsequent meetings take place at least one week after the first meeting. This practice allows budget committee members to review the proposed budget document. Budget committee members may wish to make arrangements with the district administrator and/or budget officer to visit district operations during this week, make inquiries about specific budget items, request additional information, or indicate areas of interest they believe should be highlighted at future

meetings. In subsequent meetings, the entire budget is reviewed fund by fund and/or section by section.

At least one meeting must provide the opportunity for the public to ask questions and make comments about the budget. Notification of the first budget committee meeting in which public questions and comments will be heard is required in a newspaper of general circulation, by a first-class mailing to every street address or P.O. box in the district, or by hand delivery to every street address. See Chapter 9 of the *Manual* for more detail on publication requirements.

How many meetings are required?

The number of meetings required varies from year to year and with the unit of government. Some districts meet only once, others may need to meet several times. Factors such as the detail in the budget documents, size of the district, number of funds, presentation of the budget, and the personalities of individual budget committee members will result in various numbers of meetings.

When will I get a copy of the budget?

The budget officer provides copies of the proposed budget at or before the first budget committee meeting, when the budget message is presented by the executive officer.

What other information is available to the budget committee?

The budget committee may request any information required during consideration of the proposed budget from any district officer or employee. The budget committee may also require staff members to attend budget committee meetings. Such requests by the budget committee should be made through the chief administrative officer of the local government and/or budget officer.

How is the material that is presented by the budget officer at the first meeting prepared?

The budgeting process is a continuous cycle that generally begins long before the budget committee meets. Each district has its own procedures for budget review and development. In larger districts, each part of the organization may have its own budget preparation process, in which funding requests for the upcoming fiscal year are developed and then "rolled up" into the total agency budget requirements. By the time the budget committee receives the budget message and budget document, many hours of work have been put into budget development. The budget officer coordinates these efforts with district staff and other administrators.

What is a quorum? What happens if we don't have a quorum at a budget committee meeting?

A quorum is one more than half the total number of the members. If a quorum is not present, the members who

are present may discuss committee business, but no action may be taken.

What if we have a quorum, but cannot get a majority of the members of the budget committee to approve the budget?

Any action by the budget committee requires approval by a majority of the entire committee. For example, if the budget committee has ten members, six are present at a meeting (a quorum), but only five of the six present agree with a motion to approve the proposed budget, then the motion does not pass. It is up to the budget committee to negotiate a budget and tax that is acceptable to a majority of its members.

May I ask questions other than at budget committee meetings?

It could be very helpful and a courtesy to other budget committee members if inquiries are not restricted to committee meetings. Checking with the administrator and/or budget officer between meetings allows members to explore budget items of interest in greater detail than might be practical during committee meetings. Questioning also assists the administration/budget officer by giving an indication of concerns, making it possible to highlight issues that may be of interest to the entire budget committee.

Can I consult with other budget committee members about details in the budget other than at budget committee meetings?

Discussion of the budget committee must always take place in the forum of a public meeting. One of the reasons Oregon uses the budget committee process is to ensure public comment and full disclosure of budget deliberations. It is much better to abide by the spirit of the law and hold **all** discussions at budget committee meetings.

Can the budget committee add or delete programs or services?

Generally, the budget committee's role is not to directly establish or eliminate specific programs or services. Standards and budget parameters established by the governing body give the budget officer and administrative staff general guidelines for budget development. The budget officer then prepares a budget which reflects the governing body's parameters. This proposed budget is what the budget committee considers during its meetings. Budget committee influence on programs and services is most often exerted at a higher level, when it approves the overall budget and establishes the tax levy.

Having said all that, if a majority of the budget committee agrees, it can add or delete funding for specific services. Public participation at budget committee meetings may

influence budget committee decisions. However, final authority for administration rests with the governing body. The governing body can make changes after the budget committee has approved the budget, although they may have to re-publish the budget and hold another public hearing to do so.

Can the budget committee determine how much an employee is paid?

The budget committee does not approve new personnel, employee contracts or salary schedules, nor does it negotiate salary contracts.* However, the adopted salary schedules, negotiated contracts, and other materials that have a fiscal impact on the budget document may be requested for review by the budget committee. Through its authority, the budget committee may direct the administration to make dollar adjustments (increases or decreases) in the proposed budget.

What happens after all the sections of the budget are presented?

After all presentations are made, all patron input received, and all other related issues discussed, the budget committee approves the budget. The approved budget recommends a level of spending for the year. The approved budget document also specifies the full amount of the property tax levy authority that may be certified to the tax assessor. The governing body may reduce the levy, but the rate or amount of the levy approved by the budget committee cannot be increased without republishing the financial summaries. Approval of the tax levy and the budget should be in the form of a formal motion, with the vote recorded in the minutes of the meeting.

Does the budget committee have any other duties?

At the end of the final meeting where the budget is approved, and the tax levy rate or amount is established, the committee's work is finished as far as local budget law is concerned. Local charters may have additional duties. Frequently, budget committee members express a desire to assist the governing body and administration in any public meetings or appearances concerning the budget. The budget committee may be reconvened by the governing body at a later date in the event the financial conditions in the district change. A meeting for this reason is called at the discretion of the governing body and is not a requirement of the local budget law.

*Note: ORS 204.126 says the county budget committee or TSCC approves changes in the salary of elected county officials.

After the budget is approved by the budget committee and recommended to the governing body, what action does the governing body take?

The governing body must publish a financial summary of the budget that was approved by the budget committee. The notice of the budget hearing is also published with the financial summary. At the public hearing, the governing body hears any citizen input on the approved budget. The governing body may make additional adjustments to the budget that was approved by the budget committee. Following the hearing and no later than June 30, the governing body must adopt the budget, make appropriations, and set the property tax levy rate or amount. If a property tax is required, the governing body must certify the tax to the county assessor no later than July 15.

What if the governing body changes the budget approved by the budget committee in ways that the budget committee does not approve?

The governing body has that right. However, the amount of the estimated expenditure for each fund may not be increased more than 10 percent unless a summary of the revised budget is again published and another public hearing is held. In addition, the total property tax to be levied may not exceed the amount or rate shown in the budget that was approved by the budget committee and published with the notice of the budget hearing without once again publishing the revised budget and holding another public hearing. Of course, budget committee members are free to attend that hearing and voice their opinions of the changes made by the governing body.

What is a supplemental budget?

Districts may find it necessary to prepare a supplemental budget at some point during the fiscal year. Circumstances under which a supplemental budget is authorized are:

- An occurrence, condition, or need arises which was not known at the time the budget was adopted.
- Additional funds are made available after the budget was adopted.

Although the budget committee is usually not involved with supplemental budgeting, the procedures for supplemental budgets are similar to those for the annual budget. If estimated expenditures are being changed by more than 10 percent, these procedures include a public hearing and publishing a notice and budget summary five to 30 days prior to the hearing.

Where can I find the law that governs the creation and operation of budget committees?

Budget committees are required in Oregon's Local Budget Law. This law is found in the Oregon Revised Statutes (ORS) beginning at ORS 294.305.

These statutes as well as additional information can be found on the Department of Revenue website at www.oregon.gov/DOR.

Where can I direct my questions regarding budget committees?

Oregon Department of Revenue
Finance, Taxation and Exemptions
PO Box 14380
Salem OR 97309-5075

Telephone: 503-945-8293

Fax: 503-945-8737

Email: finance.taxation@oregon.gov



Administration Checklist

- ✓ Gather budget requests.
- ✓ Evaluate budget requests and develop proposed budget.
- ✓ Develop estimates of revenue.
- ✓ Prepare budget proposal.
- ✓ Estimate ad valorem taxes in budget document.
- ✓ Prepare budget message.
- ✓ Publish required notices and budget summary.
- ✓ Provide citizens with information about approved budget.

Budget Committee Checklist

- ✓ Establish a meeting calendar.
- ✓ At first meeting, elect presiding officer (required) and vice chair (optional).
- ✓ At first meeting, establish budget committee procedural rules.
- ✓ At first meeting, receive budget message and proposed budget.
- ✓ Request information.
- ✓ Make budget documents available to any person.
- ✓ Provide opportunities for citizens to ask questions.
- ✓ Approve motion setting the rate or amount of taxes necessary to balance budget.
- ✓ Approve budget and recommend to the governing body.



Glossary

Here are some terms you will use as you work on your budget.

Adopted budget. The financial plan adopted by the governing body which forms a basis for appropriations.

Ad valorem tax. A property tax computed as a percentage of the value of taxable property. See “Assessed value.”

Appropriation. Based on an adopted budget, an authorization for spending specific amounts of money for specific purposes during specific periods of time. Presented in a resolution or ordinance adopted by the governing body.

Assessed value. The portion of value of real or personal property that is taxable. It is the lesser of the property’s real market value or the constitutional value limit (maximum assessed value—MAV). The value limit may increase 3 percent annually unless qualifying improvements or changes are made to the property. These improvements or changes allow the value limit to increase by more than 3 percent.

Biennial budget period. A 24-month period beginning July 1 and ending June 30 of the second succeeding year.

Budget. Written report showing the local government’s comprehensive financial plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year.

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters from the district.

Budget message. An explanation of the budget and local government’s financial priorities. Prepared by or under the direction of the executive officer or presiding officer of the governing body.

Budget officer. Person appointed by the governing body to assemble budget material and information, prepare the proposed budget, and oversee the budget process.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings.

County elections officer. County clerk or registrar of elections.

District. See “Local government.”

Expenditures. Decreases in net financial resources if accounts are kept on an accrual or modified accrual basis; total amount paid if accounts are kept on a cash basis.

Fiscal year. A 12-month period beginning July 1 and ending June 30.

Fund. A division in a budget segregating independent fiscal and accounting requirements. An entity within a government’s financial plan designated to carry on specific activities or to reach certain objectives.

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other governing board of a local government.

Line-item budget. The traditional form of budgeting, where proposed expenditures are based on individual objects of expense within a department or division.

Local government. Any city, county, port, school district, public, or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission.

Municipality. See “Local government.”

Ordinance. Written directive or act of a governing body. Has the full force and effect of law within the local government’s boundaries, provided it does not conflict with a state statute or constitutional provision. See also “Resolution.”

Organizational unit. Any administrative subdivision of a local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division).

Payroll expenses. Health and accident insurance premiums, Social Security and retirement contributions, and civil service assessments, for example.

Permanent rate limit. A district’s permanent ad valorem property tax rate for operating purposes. This rate levied against the assessed value of property raises taxes for general operations. Permanent tax rate limits were either computed by the Department of Revenue for districts existing prior to 1997–1998 or are voter-approved for districts formed in 1997–1998 and later.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible.

Property taxes. Amounts imposed on taxable property by a local government within its operating rate limit, levied under local option authority, or levied to repay bonded debt.

Proposed budget. Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review.

Real market value. Value at which a property would be sold by an informed seller to an informed buyer on the appraisal date. Value set on real and personal property as a basis for testing the (Measure 5) constitutional limits.

Reserve fund. Established to accumulate money from one fiscal year to another for a specific purpose.

Resolution. A formal expression of will or intent voted by an official body. Statutes or charter will specify actions that must be made by ordinance and actions that may be by resolution. (For cities, revenue raising measures such as taxes, special assessments, and service charges always require ordinances.) See “Ordinance.”

Resources. Estimated beginning fund balances on hand at the beginning of the fiscal year, plus all anticipated revenues.

Revenues. Monies received or anticipated by a local government from either tax or nontax sources.

Supplemental budget. Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. Cannot be used to increase a tax levy.

Tax levy. Taxes imposed by a local government unit through a rate or amount.

Transfers. Amounts distributed from one fund to finance activities in another fund. Shown as a requirement in the originating fund and a revenue in the receiving fund.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year’s budget, to provide the local government with a needed cash flow until other money is received. This amount cannot be transferred by resolution or used through a supplemental budget during the fiscal year it is budgeted unless there is a significant calamity or natural disaster.

Where to get help preparing your local budget

Finance, Taxation and Exemptions..... 503-945-8293
Emailfinance.taxation@oregon.gov

Each year the Department of Revenue makes available a booklet that contains forms and instructions for summarizing your district's budget for publication and certifying the tax levies to the assessor. These forms meet the minimum requirements of local budget law and are free of charge.

The forms are available each year beginning in January on the department's website at www.oregon.gov/dor.

The booklet is available upon request by contacting the Finance, Taxation and Exemptions Unit by telephone, email, or at the address below. If you would like a copy sent to you, please request your copy no later than November 15.

Finance, Taxation and Exemptions Unit
Oregon Department of Revenue
PO Box 14380
Salem OR 97309-5075

Your district may also computer-generate the budget detail and publication forms based upon your district's own computer formatting.

Have questions? Need help?

General tax information www.oregon.gov/dor
Salem..... 503-378-4988
Toll-free from an Oregon prefix..... 1-800-356-4222

Asistencia en español:

En Salem o fuera de Oregon..... 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon 503-945-8617
Toll-free from an Oregon prefix..... 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers above for information in alternative formats.

Oregon Department of Revenue:

Local budget law

Most local governments in Oregon, from the smallest cemetery district to the largest city, must prepare and adopt an annual or biennial budget. Schools, counties, cities, rural fire protection districts, and most special districts are all subject to the same budgeting provisions. Only those districts specifically exempted in law do not have to prepare and adopt a budget. Local budget law is found in the Oregon Revised Statute, Chapter 294. The law sets out several specific procedures that must be followed during the budget process. The budget must be completed by June 30 the day before the start of the fiscal year or biennial budget period to which it relates.

What are the purposes of local budget law?

The Legislature clearly identified the purposes of local budget law in the statute. It is designed to:

- Establish standard procedures for preparing, presenting, and administering the budgets of Oregon's local governments,
- Encourage citizen involvement in the preparation of the budget before its final adoption,
- Provide a method of estimating revenues, expenditures, and proposed taxes, and
- Institute a method for control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds.

Many of the requirements in the law, such as public meetings, publication notices, non-governing body representation on the budget committee, and the availability of the budget document throughout the development process are designed to encourage citizen involvement. An overriding theme in the law is that public policy decisions are to be made openly in a public meeting. Citizens have the right to be there and to know what their local government intends to do, before it happens.

The law requires that all local governments use uniform formats prescribed by the Department of Revenue in the preparation of their budget. This requirement lends a semblance of consistency and predictability between both large and small local governments' budget documents. From year to year, comparisons can more easily be made when formats are consistent. This will help in analyzing your local government's fiscal plan.

Do all local governments have to comply with this law?

Schools, counties, cities, rural fire protection districts, urban renewal agencies, and most special districts are all subject to the same budgeting provisions. Some special districts are not. If you have a question about whether or not a local government is subject to this law, you can contact your county assessor or the Department of Revenue at 503-945-8293.

What can citizens expect from the process?

You can expect to be notified of all budget meetings. These generally occur between January and June, and notice is often provided in the newspaper. Check with your local district to learn their method of publication or the meeting schedule.

You can expect to be able to ask questions and/or make comments at the budget committee meeting specifically designated for public input.

You can expect to have the opportunity to submit written and/or verbal testimony at the budget hearing.

You can expect to have the opportunity to review the budget document. You can obtain one for yourself if you so desire. Local government can legally charge for copies but the cost cannot exceed the actual cost of the photocopying.

You can expect to be able to vote on any temporary property tax measures advanced by the local government.

You can expect to be able to challenge the tax levy of the district in tax court if you think it violates the law.

What procedural steps must a local government take to comply with the law?

Local budget law requires many procedural steps in the development and final adoption of the annual budget.

The following are the primary steps each local government must consider:

- The budget officer prepares a proposed budget.
- Notice of the budget committee meeting is published.
- The budget document is made available at or before the budget committee meeting at which the budget is presented.
- The budget committee conducts at least one public meeting for receiving the budget message and the budget document as well as providing opportunity for public questions or comments.
- The budget committee approves the budget.
- Notice of the public hearing and a summary of the approved budget is published.
- The governing body conducts a public hearing on the approved budget.
- The governing body, after public comment and deliberations, adopts the budget and enacts resolutions or ordinances accordingly by June 30.
- The governing body certifies the district's tax, if any, to the county assessor by July 15.

Note: In Multnomah County, some of the publication and hearing requirements are performed for the local government by the Tax Supervising and Conservation Commission.

How is compliance with local budget law monitored?

The citizens of a district have the opportunity and the responsibility to be involved in the process. It is more efficient to the overall system when citizens become involved in the development of the budget itself, rather than mounting a legal challenge to the result.

The Department of Revenue has administrative oversight responsibility for local budget law. The department prescribes forms, writes administrative rules to clarify the legal requirements, produces a manual for use by local governments, and provides training on the correct procedures. The law also specifically prohibits the Department of Revenue from interfering with the fiscal policy of a local government.

How can a citizen participate in the budget process of a local government?

As mentioned, the Legislature designed the procedures of local budget law to encourage citizen participation. Citizens can participate in a variety of ways. Here are a few possibilities:

- Volunteer to become a budget committee member.
- Attend the budget committee and governing body budget meetings and the public hearing.
- Obtain a copy of the budget when it becomes available or simply review it at the office of the district.
- Vote on ballot measures for additional funding requested by the local government.
- Provide written or oral testimony to the budget committee or the governing body on the policy outlined in the budget, and,
- Respectfully challenge irregularities observed in the budget process.

Can a citizen challenge the process and if so, how is that done?

Yes, ORS 294.485 outlines a process that allows 10 "interested taxpayers" to appeal to the Oregon Tax Court any ad valorem property tax made contrary to law. The challenge must be made within 30 days of the district's certification to the county assessor. If the court finds that the budget and the tax certification in question do not substantially comply with local budget law, the tax levy can be declared void or be modified.

For specific questions about local budget law, e-mail us at: Finance.Taxation@state.or.us.



Budget Message



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
 Phone: 541.563.3529 – Fax 541.563.4246 – Email: info@srwd.org

Seal Rock Water District

Dear SRWD Board President, Board Commissioners, citizen members of the Budget Committee and the community of Seal Rock. Please accept the proposed Seal Rock Water District's Budget for the Fiscal Year 2018-19. This budget document provides detailed information about the District's revenue and expenditure forecast for the next year and addresses the main points and major decisions made in preparing the budget. District staff have worked hard to present for your consideration a proposed balanced budget for the upcoming fiscal year.

This budget reflects the District's efforts to balance funding for the ongoing operational needs of supplying water service to the Community of Seal Rock. This budget is the District's financial work plan, translated in expenditures, and supported by revenues. It establishes the District's direction for the near term, and to the extent the decisions have future implications, it establishes long term direction.

As a result of the District's proactive response to recent financial challenges, the District remains fiscally sound. However, as the District continues to complete improvements identified in the 2010 Water Master Plan, subsequent addendums, and the 2017 Beaver Creek Preliminary Engineering Report (PER) and Environmental Report (ER), we can expect to see declining reserves. Costs for wholesale source water, system maintenance and capital improvements will make it imperative that the District continue to prioritize goals, services and opportunities to maintain a clear and strong financial work plan that addresses future needs.

Staff carefully examines overall needs of the system and projects the associated costs of operations. At the same time, we project revenues and the likelihood of those revenues coming in as anticipated. Our sources for projecting revenues include water sales, property tax revenue, fees and miscellaneous revenues. Revenues and expenses are tracked on a monthly basis to ensure that the receipts and expenditures are maintained within planned activities.

The proposed SRWD annual budget for fiscal year 2018-19 has been prepared pursuant to Oregon Local Budget Law, and meets or exceeds guidance provided in the Oregon Department of Revenue Local Budgeting Manual. This Budget has been prepared on a modified Accrual Basis. The District has not made changes to accounting practices, or procedures, and does not anticipate any changes for fiscal year 2018-19. This budget includes projected loan and grant revenues for capital projects. In addition, the fiscal year 2018-19 budget document is projected to provide status quo service levels with no adjustment in personnel.

The 2018/2019 Proposed Budget Document, presented in Oregon State LB (Local Budget) forms, consists of 13 pages representing 9 funds. The following is a brief description of the 5 major funds within the District's Budget:

- **General Fund:** (pgs. 1-5) is used to describe financial management and daily operations of the District.
- **Debt Service Fund:** (pg. 6) this is mandatory to meet long term General Obligation bonded indebtedness incurred in 2011, 2012 which was used to refinance the 1998 and 2000 Revenue

Bonds, 2013 which refinanced the 2007 G.O. Bond, and 2016 which funded Phase 3 Schedule 1 and 2 Projects, replacing water lines in various locations. The District receives these funds through property taxes.

- **Revenue Bond Reserve Fund:** (pg. 7) this is mandatory to meet annual 2012 Revenue Bond obligation. This Bond funded the construction of the District's Operations Facilities (Administration Office and Shop Buildings).
- **Capital Projects Fund:** (pg. 8) this is mandatory to maintain financial information for major system improvement projects; funds are received from loans, grants or transfers from the General Fund, Water Source Improvement Reserves, and SDC Funds.
- **Reserve Funds:** (pgs. 9 through 13) this is used to provide specific uses related to, USDA Rural Development reserve funds, Depreciation of rolling stock and equipment, System Development Charges (SDC's), Water Source & Distribution Improvements, and Property Building reserves.

On November 8, 2011, the voters of the District approved a \$15 million General Obligation (G.O.) Bond authority to finance the projects identified in the Master Plan and subsequent addendums; to refinance existing indebtedness to take advantage of lower interest rates; and to pay for the District's share of the City of Toledo's Phase 2 capital improvements.

On June 13, 2012, the District issued \$5 million G.O. Bonds. Part of the G.O. Bond proceeds of \$2.4 million was used to refinance the 1998 Revenue Bond and the 2000 C.O.P. Revenue Bond, the remaining \$2.6 million was used to fund the construction of the District's Phase 1 and Phase 2 capital improvements. Refinancing the 2 revenue bonds freed up \$230,000 annual payment from revenue. A portion of these funds was used for operations and to finance a line of credit to fund the District's share of City of Toledo Phase 2 improvements, and to fund annual payment of the 2012 Revenue Bond which is \$74,400. Revenue Bond funding requires a reserve amount equal to one annual payment. As such, \$7,400.00 of these funds will also be placed in reserves annually for ten (10) years to equal one annual payment. Remaining portion of savings will be transferred to reserve funds to help finance future capital improvements.

On December 1, 2016, the District issued another \$3,451,000 in G. O. Bonds to cover the cost of planned Phase 3 improvements, Schedules 1 & 2 completed in December 2016. This funding package also included \$2,549,045 in grants provided by USDA-RD. Grant funds will be used to purchase and install a system wide Automated Meter Integration (AMI) system scheduled to be fully operational by October of 2018. Terms of the Bond financing included an interest rate of 1.875% for 25 years with annual payments of \$174,207. Conditions of the Loan and Grant provided by USDA for Phase 3 improvements obligate the District to transfer \$84,000 annually to Short-Lived Assets Replacement Reserve Account (SLARRA) to fund replacement of assets with a 5 to 15 year lifespan. Of the original \$15 million in G.O. Bond authorization the District has \$6,549,000 remaining.

The District is working closely with funding agents, to include representatives from FEMA's Mitigation Grant Program, Business Oregon Infrastructure Finance Authority and USDA-RD in an effort to secure funding for future major capital projects. On February 15, 2018 the SRWD Board of Commissioners authorized the Board President to enter into a finance contract through the State of Oregon, Safe Drinking Water Revolving Loan Fund (SDWRLF) Program to provide partial financing for the District's Beaver Creek Source Water Project. Funding through the (SDWRLF) Program is in the form of a loan totaling \$2,451,000 for 30 years at 1%, and a forgivable loan in the amount of \$1,030,000 for a total of \$3,481,000.

Through a settlement agreement with the City of Toledo, the District will receive a water rate increase of 1.4%, effective February 2018. The current wholesale rate is now \$3.40 per 1,000 gallons; this is an increase of \$0.05 per thousand from last year. The wholesale rate is based on the City's annual costs of administering and

operating those portions of the City of Toledo water distribution and treatment system related to delivery of water to the District. Through a resolution adopted on October 19, 2017 the SRWD Board of Commissioners approved a termination notice to the City of Toledo terminating the December 2012 Water Purchase Agreement effective October 30, 2020. Provisions of the December 2012 Water Purchase Agreement remove any obligation of the District to fund equal share of major or minor capital improvements to the Toledo system, once official notification has been made.

The tax levy in the General Fund represents the District's permanent rate that can be used for operations which is \$.1259 per \$1,000 of the assessed value of the District; G.O. Bond rate is projected to be \$1.14/\$1000. The Exempt Bond amount is \$770,300 as the ad valorem property taxes to be certified for collection to pay Bond indebtedness, there is unappropriated ending fund balance in the Debt Service fund to meet the debt obligations before taxes are collected.

2.0% COLA increase is expected for this fiscal year. Last year's Health Insurance Premium increased by 11% and is projected to increase again this year by 11% beginning July 1, 2018. Also, beginning July 1, 2017 PERS employer contribution rate increased to 17.21% and the OPSRP rate increased to 10.71%, it is expected that these rates will remain static until June 30, 2019. The District does not pay the employees required 6% contribution.

Budget changes through discussion must be completed prior to adjournment of the meeting. If subsequent meetings are necessary, this meeting should be recessed. A budget hearing is scheduled for May 10, 2018, and with approval of the Budget Committee, adoption of the Budget is scheduled for June 14, 2018, which is the SRWD regular monthly board meeting.

Budget Assumptions:

The following assumptions were used in the preparation of the proposed budget:

- Inflation will be less than 2.0% for 2018-2019 - Population growth will be 1.0%.
- The District will pay its full contribution to PERS. Health care premiums are projected to increase by 11%.
- Water Sales will continue to support the purchase of source water from the City of Toledo.
- Property tax assessed valuation for the General Fund will be \$.1259/\$1000, GO Bond Rate \$1.14/\$1000.
- The budget will address the District's major capital improvements approved in the 2010 Water Master Plan.
- This budget also considers capital budget cost identified in the 2016 Beaver Creek Conceptual Design Report and the 2017 Beaver Creek Preliminary Engineering Report (PER) and Environmental Report (ER).
- Existing physical assets of the District will be maintained at current levels in an effort to extend their useful life.
- The District and staff will comply with all Federal and State budget requirements.

Acknowledgment:

This year's budget document is the result of continuous budget review and evaluation with Office Manager Joy King, District Commissioners, and representatives from USDA. Without the assistance of District staff and those involved in the preparation of this budget, challenging targets and this budget document could not have been possible.

I would like to extend my sincere appreciation to the Board of Commissioners and citizen members of the Budget Committee for your leadership, guidance and service to the District and the Community we serve.

Respectfully submitted,



Adam Denlinger, General Manager

Seal Rock Water District is the largest water District on the Oregon Coast located in Lincoln County, between Newport and Waldport. The current boundaries of the District were formed in 1956 by the merger of two separate contiguous water districts.

General Statistics:

- 9-fulltime employees
- Service territory: 12.5 square miles
- District population: 5,000
- Service connections: 2,541
- Customer base: 94.5% residential & multifamily; 5.5% commercial/industrial/government
- Water sales (volume): 70.1% residential & multifamily; 29.5%commercial/industrial/government; 0.04% wholesale

Water System:

- Average monthly demand: 9.5-million gallons; 113-million gallons/year
- Peak consumption: .5-million gallons/day
- 2-covered reservoirs
- 3-million gallons stored in reservoirs
- 7-pump stations
- 60-Miles of pipeline
- The district currently receives all its source water from the City of Toledo
- Through a newly constructed emergency intertie with the City of Newport, funded through FEMA mitigation grant funds the District now has an alternate source of water.

NOTICE OF BUDGET HEARING

A public meeting of the BOARD OF COMMISSIONERS will be held on MAY 10, 2018
 (Governing Body) (Date)
 at 4:00 p.m. at 1037 NW Grebe St. Seal Rock, Oregon. The purpose of this meeting is to discuss the budget for
 (Location)
 the fiscal year beginning July 1, 2018 as approved by the SEAL ROCK WATER DISTRICT Budget Committee.
 (Municipal Corporation)

A summary of the budget is presented below. A copy of the budget may be inspected or obtained at
1037 NW Grebe St. Seal Rock between the hours of 9:00 am and 3:30 pm, or on the district's website at
 (Street Address)
www.srwd.org. This budget is for an annual; biennial budget period. This budget was prepared on a basis
 (Website Address)
 of accounting that is: the same as; different than the preceding year. If different, the major changes and
 their effect on the budget are:

Contact	Telephone number	E-mail
Joy S King	(541) 563-3599	info@srwd.org

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amounts	Adopted Budget	Approved Budget
	2016-17	This Year: 2017-18	Next Year: 2018-19
1. Beginning Fund Balance/Net Working Capital	3,080,721	2,283,240	2,916,800
2. Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	168,333	122,028	125,028
3. Federal, State & all Other Grants, Gifts, Allocations & Donations	1,059,869	5,233,000	12,633,000
4. Revenue from Bonds & Other Debt	5,193,785	9,338,000	383,500
5. Interfund Transfers/Internal Service Reimbursements	362,660	547,950	640,000
6. All Other Resources Except Property Taxes	1,698,586	1,751,315	1,829,860
7. Property Taxes Estimated to be Received	649,325	1,008,345	817,560
8. Total Resources - add lines 1 through 7	12,213,279	20,283,878	19,345,748

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

9. Personnel Services	709,370	874,400	866,300
10. Materials and Services	639,258	781,550	834,400
11. Capital Outlay	7,111,210	16,645,728	15,583,978
12. Debt Service	681,233	926,992	926,410
13. Interfund Transfers	362,660	547,950	640,000
14. Contingencies	0	100,000	100,000
15. Special Payments	0	0	0
16. Unappropriated Ending Balance and Reserved for Future Expenditure	2,709,548	407,258	394,660
17. Total Tax Requirements - add lines 9 through 16	12,213,279	20,283,878	19,345,748

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM*

Name of Organizational Unit or Program			
FTE for Unit or Program			
Administration	254,564	261,800	269,800
FTE	4	4	4
Operations	199,759	272,000	247,000
FTE	5	5	5
Total Requirements	454,323	533,800	516,800
Total FTE	9	9	9

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING*

PROPERTY TAX LEVIES

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (Rate Limit <u>0.1259</u> Per \$1000)	0.1259	0.1259	0.1259
Local Option Levy	0	0	0
Levy for General Obligation Bonds	551,640	979,500	770,300

STATEMENT OF INDEBTEDNESS

Long Term Debt	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, but not Incurred on July 1
General Obligation Bonds	10,078,429	6,549,000
Other Bonds - Revenue.....	1,293,234	2,451,000
Other Borrowings -LOC & IFA.....	1,725,107	0
Total	13,096,770	9,000,000

RESOURCES

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			RESOURCES DESCRIPTION	Budget for Next Year			2018-19
	Actual		Adopted Budget This Year 2017-18		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17						
				Beginning Fund Balance:				
1				1. Available cash on hand* (cash basis), or				1
2	494,577	564,718	500,000	2. Net Working Capital (accrual basis)	575,000	575,000	575,000	2
3	3,024	2,920	3,000	3. Previously levied taxes estimated to be received 4000	2,500	2,500	2,500	3
4	105	188	200	4. Interest 4050	200	200	200	4
5				5. OTHER RESOURCES				5
6				6.				6
7	1,644,635	1,673,374	1,725,000	7. Water Sales/Contract in Lieu of Water Sales 4020,4021	1,800,000	1,800,000	1,800,000	7
8	28,500	36,000	22,500	8. Service Connections 4030	25,500	25,500	25,500	8
9	40,329	47,911	39,800	9. Misc. Income 4040,4051,4052,4053,4060	39,800	39,800	39,800	9
10	0	0	1,000	10. Subdivision/Partition Assessments 4130	1,000	1,000	1,000	10
11				11.				11
12				12. Sale of Equipment / Fixed assets 4170,4180,4190	5,000	5,000	5,000	12
13	9,213	1,629	5,000	13. Prior Year Refund 4900	5,000	5,000	5,000	13
14	0	0	3,000	14. Grant - SDAO/FEMA 4016	3,000	3,000	3,000	14
15				15.				15
16				16.				16
17				17.				17
18				18.				18
19				19.				19
20				20. TRANSFERS FROM OTHER FUNDS				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	2,220,383	2,326,740	2,299,500	29. Total resources, except taxes to be levied	2,457,000	2,457,000	2,457,000	29
30			72,400	30. Taxes necessary to balance 4010	76,700	76,700	76,700	30
31	68,435	71,359		31. Taxes collected in year levied 4010				31
32	2,288,818	2,398,099	2,371,900	32. TOTAL RESOURCES	2,533,700	2,533,700	2,533,700	32

*Includes unappropriated Balance Budgeted Last Year

DETAILED REQUIREMENTS

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

Historical Data			Adopted Budget This Year <u>2017-18</u>	ADMINISTRATIVE & OFFICE	Budget for Next Year <u>2018-19</u>			
Actual		Proposed By Budget Officer			Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2015-16	First Preceding Year 2016-17							
1				1. PERSONNEL SERVICES:				1
2				2.				2
3	250,469	254,564	261,000	3. Salaries - Office 5010	269,000	269,000	269,000	3
4	6	0	800	4. Part Time Office / Overtime 5050,5068	800	800	800	4
5	168,816	187,182	237,100	5. Employees Benefits 5070,5080	250,500	250,500	250,500	5
6	42,855	44,874	57,200	6. Employer Payroll Tax Expense 5090	53,000	53,000	53,000	6
7	1,996	1,804	4,500	7. Training Classes - Office & Board 5060,5062	5,500	5,500	5,500	7
8	4,927	4,908	6,000	8. Mileage & Meal Reimb.-Office & Board 5063,5064	6,500	6,500	6,500	8
9	1,518	2,910	3,800	9 Lodging - Office & Board 5065,5066	4,500	4,500	4,500	9
10	470,587	496,242	570,400	10. Total Personnel Services	589,800	589,800	589,800	10
	4	4	4	Total Full-Time Equivalent (FTE)	4	4	4	
11				11. MATERIALS & SERVICES:				11
12	38,219	45,649	73,000	12. Professional Services 5200,5201,5202,5203,5204	80,000	80,000	80,000	12
13	19,811	21,449	22,900	13. Insurance & Bonds 5240	27,000	27,000	27,000	13
14	19,531	15,661	20,500	14. Office Supplies & Postage 5290,5291	21,000	21,000	21,000	14
15	0	0	10,000	15. Rent & Lease Expense 5260	5,000	5,000	5,000	15
16	18,718	19,004	20,500	16. Phone & Office Equip. Repair/Repl. 5270,5271,5272	28,500	28,500	28,500	16
17	3,530	3,796	5,000	17. Printing, Copying & Advertising 5280	5,000	5,000	5,000	17
18	14,209	1,671	7,500	18. Miscellaneous Expense 5250,5360,5361	8,000	8,000	8,000	18
19	5,688	22,065	25,000	19. Dues, Fees & Assessments 5310	27,000	27,000	27,000	19
20	0	1,271	0	20. Commissioner & Other Election 5120	1,500	1,500	1,500	20
21	3,134	0	0	21. Accrued Interest Expense 5860	0	0	0	21
22	122,840	130,566	184,400	22. Total Materials & Services	203,000	203,000	203,000	22
23				23. CAPITAL OUTLAY:				23
24	140	0	1,000	24. Office Furniture 5400	1,000	1,000	1,000	24
25	2,793	0	4,000	25. Office Equipment/Computer Hardware 5410	15,000	15,000	15,000	25
26	1,840	1,272	2,000	26. Computer Software 5420	3,000	3,000	3,000	26
27				27.				27
28				28.				28
29				29.				29
30	4,773	1,272	7,000	30. Total Capital Outlay	19,000	19,000	19,000	30
31	598,200	628,080	761,800	31. TOTAL EXPENDITURES - THIS PAGE	811,800	811,800	811,800	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE				32
33	598,200	628,080	761,800	33. ACCUMULATIVE TOTAL EXPENSE	811,800	811,800	811,800	33

DETAILED REQUIREMENTS

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

Historical Data			Adopted Budget This Year 2017-18	OPERATIONS & SERVICES	Budget for Next Year			2018-19
Actual		Proposed By Budget Officer			Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2015-16	First Preceding Year 2016-17							
1				1. PERSONNEL SERVICES:				1
2				2.				2
3	185,405	184,344	251,000	3. Salaries - Field Personnel 5510,5511,5512	225,000	225,000	225,000	3
4	15,055	15,415	21,000	4. Overtime / On Call - Field 5590,5591	22,000	22,000	22,000	4
5	1,086	531	3,500	5. Mileage & Meal Reimbursement - Field 5621	3,500	3,500	3,500	5
6	2,138	1,343	15,000	6. Training Classes & Lodging - Field/CDL/Safety 5061,50	11,000	11,000	11,000	6
7	5,029	11,495	13,500	7. Performance Award 5599	15,000	15,000	15,000	7
8	208,713	213,128	304,000	8. Total Personnel Services	276,500	276,500	276,500	8
	5	5	5	Total Full-Time Equivalent (FTE)	5	5	5	
9				9. MATERIALS & SERVICES				9
10	1,769	0	2,150	10. Uniforms - Jacket & Hat / Clothing 5601,5602	2,500	2,500	2,500	10
11	458,420	372,293	400,000	11. Toledo Water Purchases 5690	415,000	415,000	415,000	11
12	99,611	106,808	132,000	12. SRWD System Maintenance 5630,5631,5632,5633,5634,5635	142,400	142,400	142,400	12
13	20,506	24,410	23,000	13. Utilities 5610	31,500	31,500	31,500	13
14	10,938	3,665	8,000	14. Operating Materials & Supplies 5600	8,000	8,000	8,000	14
15	9,052	0	10,000	15. Repl Meter/AMR System 5640; 5641	10,000	10,000	10,000	15
16	130	1,516	2,000	16. Equipment Rental 5620	2,000	2,000	2,000	16
17	0	0	20,000	17. Toledo System - General Maint./share 5670	20,000	20,000	20,000	17
18				18.				18
19	600,426	508,692	597,150	19. Total Materials & Services	631,400	631,400	631,400	19
20				20. CAPITAL OUTLAY				20
21	1,937	9,907	30,000	21. Supply & Distribution (components in ground) 5720	35,000	35,000	35,000	21
22	34	0	5,000	22. Automotive Equipment 5800	5,000	5,000	5,000	22
23	990	112	3,000	23. Shop Equipment 5810	11,000	11,000	11,000	23
24				24.				24
25	0	0	0	25. Heavy Equipment 5820	0	0	0	25
26	0	0	23,000	26. Building Upgrades 5750	23,000	23,000	23,000	26
27				27.				27
28				28.				28
29				29.				29
30	2,961	10,019	61,000	30. Total Capital Outlay	74,000	74,000	74,000	30
31	812,100	731,839	962,150	31. TOTAL EXPENDITURES - THIS PAGE	981,900	981,900	981,900	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE				32
33	1,410,300	1,359,919	1,723,950	33. ACCUMULATIVE TOTAL EXPENSE	1,793,700	1,793,700	1,793,700	33

DETAILED REQUIREMENTS

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			TRANSFERS & CONTINGENCIES	Budget for Next Year			
	Actual		Adopted Budget This Year 2017-18		2018-19			
	Second Preceding Year 2015-16	First Preceding Year 2016-17			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1				1				1
2				2				2
3				3. TRANSFERS TO OTHER FUNDS:				3
4	82,170	134,000	150,000	4. Capital Project Fund (pg. 8) 03-4160	175,000	175,000	175,000	4
5	7,400	7,430	7,430	5. R.D. Requirement Reserve Fund (pg. 9) 05	7,430	7,430	7,430	5
6	74,230	74,330	148,500	6. Revenue Bond Payment Fund (pg. 7) 04	134,000	134,000	134,000	6
7	50,000	50,000	84,000	7. Depreciation Reserve Fund/SLARRA (pg. 10) 11	134,000	134,000	134,000	7
8	0		0	8. SDC Reserve Fund (pg. 11) 13	0	0	0	8
9	100,000	96,900	158,020	9. Water Source Impr. Rsrv. Fund (pg. 12) 20	189,570	189,570	189,570	9
10	0			10				10
11	0			11				11
12	0			12				12
13				13.				13
14	0	0	100,000	14. Operating Contingencies 01-5950	100,000	100,000	100,000	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				29.				29
30	313,800	362,660	647,950	30. TOTAL - THIS PAGE	740,000	740,000	740,000	30
31	1,410,300	1,359,919	1,723,950	31. TOTAL EXPENDITURES - prev. pgs.-GENERAL	1,793,700	1,793,700	1,793,700	31
32	564,718	675,520	0	32. UNAPPROPRIATED ENDING FUND BALANCE				32
33	2,288,818	2,398,099	2,371,900	33. General Fund TOTAL Expenses	2,533,700	2,533,700	2,533,700	33

*Includes unappropriated Balance Budgeted Last Year

REQUIREMENTS SUMMARY

GENERAL FUND

Name of Organization Unit - Fund

SEAL ROCK WATER DISTRICT

(Name of Municipal Corporation)

	Historical Data			EXPENDITURE DESCRIPTION	Budget for Next Year			
	Actual		Adopted Budget This Year 2017-18		2018-19			
	Second Preceding Year 2015-16	First Preceding Year 2016-17			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RECAP				
				PERSONNEL SERVICES				
1	470,587	496,242	570,400	1. Administrative & Office	589,800	589,800	589,800	1
2	208,713	213,128	304,000	2. Operations & Services	276,500	276,500	276,500	2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	679,300	709,370	874,400	7. TOTAL PERSONNEL SERVICES	866,300	866,300	866,300	7
	9	9	9	<i>Total Full-Time Equivalent (FTE)</i>	9	9	9	
				MATERIALS & SERVICES				
8	122,840	130,566	184,400	8. Administrative & Office	203,000	203,000	203,000	8
9	600,426	508,692	597,150	9. Operations & Services	631,400	631,400	631,400	9
10				10.				10
11				11.				11
12				12.				12
13				13.				13
14	723,266	639,258	781,550	14. TOTAL MATERIALS & SERVICES	834,400	834,400	834,400	14
				CAPITAL OUTLAY				
15	4,773	1,272	7,000	15. Administrative & Office	19,000	19,000	19,000	15
16	2,961	10,019	61,000	16. Operations & Services	74,000	74,000	74,000	16
17				17.				17
18				18.				18
19				19.				19
20				20.				20
21	7,734	11,291	68,000	21. TOTAL CAPITAL OUTLAY	93,000	93,000	93,000	21
				TRANSFERRED TO OTHER FUNDS				
22	182,170	230,900	308,020	22. To WSIRF/CPF	364,570	364,570	364,570	22
23	50,000	50,000	84,000	23. To Depr/Land & Bldg Rsrv funds	134,000	134,000	134,000	23
24	81,630	81,760	155,930	24. To R Bond Pmt/R.D. Req. Rsrv funds	141,430	141,430	141,430	24
25			100,000	25. General Fund Operating Contingency	100,000	100,000	100,000	25
26	313,800	362,660	647,950	26. TOTAL TRANSFERS & CONTINGENCIES	740,000	740,000	740,000	26
27	1,724,100	1,722,579	2,371,900	27. TOTAL EXPENDITURES	2,533,700	2,533,700	2,533,700	27
28	564,718	675,520		28. UNAPPROPRIATED ENDING FUND BALANCE				28
29	2,288,818	2,398,099	2,371,900	29. TOTAL	2,533,700	2,533,700	2,533,700	29

*Includes unappropriated Balance Budgeted Last Year

**BONDED DEBT
RESOURCES AND REQUIREMENTS**

Bond Debt Payments are for:
General Obligation Bonds X
Revenue Bonds

DEBT SERVICE FUND
FUND

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

Historical Data			Adopted Budget This Year 2017-18	GENERAL OBLIGATION BONDS RESOURCES AND REQUIREMENTS	Budget for Next Year 2018-19		
Actual		Proposed By Budget Officer			Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-16	First Preceding Year 2016-17						
				Resources			
				Beginning Fund Balance:			
1				1. Cash on Hand (Cash Basis), or			1
2	275,861	282,648	240,000	2. Working Capital (Accrual Basis)	425,000	425,000	425,000
3	23,631	23,406	22,000	3. Previously Levied Taxes Estimated to be Received 02-4000	22,000	22,000	22,000
4	695	766	600	4. Earnings from Temporary Investments 4050	600	600	600
5	1,518	866	0	5. Miscellaneous Income 4060	500	500	500
6	65,471	9,535	12,145	6. Boundary Withdrawal Income 4012	9,490	9,490	9,490
7	367,176	317,221	274,745	7. Total Resources, Except Taxes to be Levied	457,590	457,590	457,590
8			910,945	8. Taxes Necessary to Balance *	716,360	716,360	716,360
9	514,619	551,640		9. Taxes Collected in Year Levied * 4010			
10	881,795	868,861	1,185,690	10. TOTAL RESOURCES	1,173,950	1,173,950	1,173,950
				Requirements			
				<u>Bond Principal Payments</u>			
				Issue Date	Budgeted Payment Date		
11	0	0	109,501	11. 2016 6660	12/1/18	111,560	111,560
12	70,000	70,000	70,000	12. 2013 6650	5/31/19	75,000	75,000
13	33,762	35,028	36,341	13. 2011 6630	10/20/18	37,710	37,710
14	235,000	250,000	255,000	14. 2012 6640	6/30/19	260,000	260,000
15	338,762	355,028	470,842	15. Total Principal		484,270	484,270
				<u>Bond Interest Payments</u>			
				Issue Date	Budgeted Payment Date		
16	0	0	64,707	16. 2016 6670	12/1/18	62,660	62,660
17	63,802	62,401	61,003	17. 2013 6750	11/30/18, 5/31/19	58,210	58,210
18	57,452	56,186	54,873	18. 2011 6730	10/26/18	53,510	53,510
19	139,131	133,256	127,007	19. 2012 6740	12/1/18, 6/30/19	120,640	120,640
20	260,385	251,843	307,590	20. Total Interest		295,020	295,020
				<u>Unappropriated Balance for Following Year</u>			
				Issue Date	Payment Date		
21			174,200	21. 2016	12/1/2019	174,200	174,200
22			91,220	22. 2011	10/27/19	91,200	91,200
23			64,000	23. 2012	12/1/19	55,600	55,600
24			30,500	24. 2013	12/30/19	29,000	29,000
25	282,648	261,990	359,920	25. Total Unappropriated Ending Fund Balance		350,000	350,000
26			47,338	26. Tax Credit Reserve 2013 (2007) G.O. Bond ** C.o.N.		44,660	44,660
27	881,795	868,861	1,185,690	27. TOTAL REQUIREMENTS		1,173,950	1,173,950

*If this form is used for revenue bonds, resource lines 8 and 9 may not be used. The district does not have authority to levy for these bonds.

**BONDED DEBT
RESOURCES AND REQUIREMENTS**

Bond Debt Payments are for:
General Obligation Bonds
Revenue Bonds X

REVENUE BOND RESERVE FUND
FUND

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			RESOURCES AND REQUIREMENTS	Budget for Next Year <u>2018-19</u>				
	Actual		Adopted Budget This Year <u>2017-18</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2015-16	First Preceding Year 2016-17							
				Resources					
				Beginning Fund Balance:					
1				1. Cash on Hand (Cash Basis), or				1	
2	266	204	40	2. Working Capital (Accrual Basis)	13,100	13,100	13,100	2	
3	50	44	20	3. Earnings from Temporary Investments 04-4049,4050	20	20	20	3	
4	74,230	74,330	148,500	4. Transfer from General Fund (pg. 4) 4160	134,000	134,000	134,000	4	
5				5. Loan Proceeds 4015				5	
6				6.				6	
7	74,546	74,578	148,560	7. Total Resources, Except Taxes to be Levied	147,120	147,120	147,120	7	
8			0	8. Taxes Necessary to Balance *				8	
9	0	0		9. Taxes Collected in Year Levied *				9	
10	74,546	74,578	148,560	10. TOTAL RESOURCES	147,120	147,120	147,120	10	
				Requirements					
				<u>Bond Principal Payments</u>					
				Issue Date	Budgeted Payment Date				
11	0		18,200	11. 2016 - IFA 6630	12/1/18	17,690	17,690	17,690	11
12	35,738	36,721	36,601	12. 2012 6620	6/01/19	38,770	38,770	38,770	12
13	35,738	36,721	54,801	13. Total Principal		56,460	56,460	56,460	13
				<u>Bond Interest Payments</u>					
				Issue Date	Budgeted Payment Date				
14	0		2,028	14. 2016 - IFA 6730	12/1/18	1,090	1,090	1,090	14
15	38,594	37,611	37,731	15. 2012 6720	6/01/18	35,570	35,570	35,570	15
16			54,000	16. 2016 - CVB 6740	10/1/18	54,000	54,000	54,000	16
17	10	30	0	17. Miscellaneous 5360,5729,5732					17
18	38,604	37,641	93,759	18. Total Interest		90,660	90,660	90,660	18
				<u>Unappropriated Balance for Following Year By</u>					
				Issue Date	Payment Date				
19				19.				19	
20				20.				20	
21				21.				21	
22				22.				22	
23	204	216	0	23. Total Unappropriated Ending Fund Balance		0	0	0	23
24	74,546	74,578	148,560	24. TOTAL REQUIREMENTS		147,120	147,120	147,120	24

*If this form is used for revenue bonds, resource lines 8 and 9 may not be used. The district does not have authority to levy for these bonds.

SPECIAL FUND
RESOURCES AND REQUIREMENTS
CAPITAL PROJECTS FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year			
	Actual		Adopted Budget This Year 2017-18		2018-19			
	Second Preceding Year 2015-16	First Preceding Year 2016-17			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				Beginning Fund Balance:				
1				1. *Cash on Hand (Cash Basis), or				1
2	83,625	1,305,057	450,000	2. *Working Capital (Accrual Basis)	500,000	500,000	500,000	2
3	74,999	0	0	3. City of Newport Contribution/Newport Intertie 4018	0	0	0	3
4	7,824	4,217	5,000	4. Earning from Temporary Investments 4050	5,000	5,000	5,000	4
5				5. Transf. frm SDC (pg 11) Transf. frm WSIR (pg. 12)				5
6	82,170	134,000	150,000	6. Transf. frm GF (pg 4) 4160	175,000	175,000	175,000	6
7	481,520	1,059,869	5,230,000	7. Interim Loan / USDA Grant & Loan/G.O. Bond 4016,4019,4020	12,630,000	12,630,000	12,630,000	7
8	3,851,000	5,193,785	9,338,000	8. Loan Proceeds 4017	383,500	383,500	383,500	8
9	4,581,138	7,696,928	15,173,000	9. Total Resources, Except Taxes to be Levied	13,693,500	13,693,500	13,693,500	9
10			0	10. Taxes Necessary to Balance				10
11	0			11. Taxes Collected in Year Levied				11
12	4,581,138	7,696,928	15,173,000	12. TOTAL RESOURCES	13,693,500	13,693,500	13,693,500	12
				REQUIREMENTS				
13				13. CAPITAL OUTLAY - System Improvements:				13
14	51,914			14. Source Water Recon. Study/Preliminary 5713,5714,5716				14
15				15. Environmental Study				15
16	305,615	331,703	1,500,000	16. Engineering/Geotech/FEMA 5710, 5711,5712	2,450,000	2,450,000	2,450,000	16
17	75,989	53,523	210,000	17. Legal/Admin/Financing 5713,5714,5715,5717	960,000	960,000	960,000	17
18	2,167,782	1,230,450	10,600,000	18. Construction / Contractor 5716,5718	8,920,000	8,920,000	8,920,000	18
19	570,336	0	100,000	19. City of Toledo Capital Improvement 5790	100,000	100,000	100,000	19
20	21,390	95,190	190,000	20. Interim Loan Interest 5050	200,000	200,000	200,000	20
21	0	5,051,000	0	21. Interim Loan Payments 5060				21
22	73,322	0	0	22. Newport Intertie 5755,5758,5759				22
23	9,731	202,140	873,000	23. SRWD Major Improvements 5756, 5770,5772,5773	963,500	963,500	963,500	23
24		125,357	1,700,000	24. EMR/AMI Project 5706,5708,5709	100,000	100,000	100,000	24
25				25. Source Water Site				25
26				26. Transfers:				26
27				27. Water Source Enhancement (pg 13)				27
28	1,305,059	607,565	0	28. UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	28
29	4,581,138	7,696,928	15,173,000	29. TOTAL REQUIREMENTS	13,693,500	13,693,500	13,693,500	29

**RESERVE FUND
RESOURCES AND REQUIREMENTS**

This fund is authorized by ORS 280.100 and established by resolution/ordnance number 0393-1, on March 11, 1993 (extended per ORS 0412-03, 4-19-12) for the following specified purposes:

Required by USDA Rural Development bond agreements

R.D. REQUIREMENT RESERVE
Fund

Any balance in a fund referred to in ORS 280.110 that is not expended or obligated by definite commitments within 12 years from the date of the election or the adoption of the ordinance or resolution pursuant to which the fund was established shall revert to and become a part of the general fund of the subdivision and shall be transferred thereto by the treasurer or other financial officer thereof. Annual contributions to such funds shall be limited to a period not to exceed ten years.

Last year for fund 2042-43 Last year for contributions 2024-25

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year			
	Actual		Adopted Budget This Year <u>2017-18</u>		2018-19		Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17			Proposed By Budget Officer	Approved By Budget Committee		
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	24,361	31,812	39,200	2. Working Capital * (accrual basis)	46,700	46,700	46,700	2
3				3. Previously levied taxes estimated to be received				3
4	51	50	50	4. Earning from temporary investments 05-4050	50	50	50	4
5	7,400	7,430	7,430	5. Transferred from other funds 05-4160	7,430	7,430	7,430	5
6				6. Reimbursement from GF				6
7				7.				7
8				8.				8
9	31,812	39,292	46,680	9. Total Resources, except taxes to be levied	54,180	54,180	54,180	9
10			0	10. Taxes necessary to balance				10
11				11. Taxes collected in year levied				11
12	31,812	39,292	46,680	12. TOTAL RESOURCES	54,180	54,180	54,180	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY:				14
15			46,680	15. Emergency System Repair/Bond Payment 5780	54,180	54,180	54,180	15
16				16.				16
17				17. Transfer to General Fund (pg. 1) 5900				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	31,812	39,292	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	31,812	39,292	46,680	29. TOTAL REQUIREMENTS	54,180	54,180	54,180	29

*Includes unappropriated Balance Budgeted Last Year

**RESERVE FUND
RESOURCES AND REQUIREMENTS**

SEAL ROCK WATER DISTRICT

This fund is authorized by ORS 280.100 and established by resolution / ordinance number 0400-01, on April 27, 2000; extended per Resolution #0411-01 (04/21/11), for the following specified purposes: For replacing depreciated assets that are of no further use (vehicles, heavy equipment, radios, saws, mowers, computers, furnishings, etc.) **\$25,000 / \$250,000 max.**

SLARRA/DEPRECIATION RESERVE
Fund

Any balance in a fund referred to in ORS 280.110 that is not expended or obligated by definite commitments within 12 years from the date of the election or the adoption of the ordinance or resolution pursuant to which the fund was established shall revert to and become a part of the general fund of the subdivision and shall be transferred thereto by the treasurer or other financial officer thereof. Annual contributions to such funds shall be limited to a period not to exceed ten years.

Last year for fund 2023-24 Last year for contributions 2021-22

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year			
	Actual		Adopted Budget This Year <u>2017-18</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17						
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	102,294	105,334	137,000	2. Working Capital * (accrual basis)	220,000	220,000	220,000	2
3				3. Previously levied taxes estimated to be received				3
4	294	676		4. Earning from temporary investments 11-4050	600	600	600	4
5	50,000	50,000	84,000	5. Transfer from General Fund (pg. 4) 4160	134,000	134,000	134,000	5
6				6.				6
7				7.				7
8				8.				8
9	152,588	156,010	221,000	9. Total Resources, except taxes to be levied	354,600	354,600	354,600	9
10			0	10. Taxes necessary to balance				10
11				11. Taxes collected in year levied				11
12	152,588	156,010	221,000	12. TOTAL RESOURCES	354,600	354,600	354,600	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY: (General Fund)				14
15			141,000	15. Replace Depreciated Item 5751	274,600	274,600	274,600	15
16	39,298		50,000	16. Vehicle Repl. Program/Heavy Equipment 5820	50,000	50,000	50,000	16
17	7,956	10,033	30,000	17. Office Equipment & Machines 5410	30,000	30,000	30,000	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	105,334	145,977	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	152,588	156,010	221,000	29. TOTAL REQUIREMENTS	354,600	354,600	354,600	29

*Includes unappropriated Balance Budgeted Last Year

**RESERVE FUND
RESOURCES AND REQUIREMENTS**

SEAL ROCK WATER DISTRICT

This fund is authorized by ORS 280.100 and established by resolution / ordinance number 0400-01, on April 27, 2000, extended per Resolution #0411-01 (4/21/11, for the following specified purposes: For SRWD and Toledo System Improvements (SDC revenues) (main & service lines, pumps, vaults, master meters, treatment plant / water sources, etc.) \$0 / \$1,000,000 max.

SYSTEM DEVELOPMENT CHARGES
Fund
(Formerly System Investment Plan Reserve)

Any balance in a fund referred to in ORS 280.110 that is not expended or obligated by definite commitments within 12 years from the date of the election or the adoption of the ordinance or resolution pursuant to which the fund was established shall revert to and become a part of the general fund of the subdivision and shall be transferred thereto by the treasurer or other financial officer thereof. Annual contributions to such funds shall be limited to a period not to exceed ten years.
Last year for fund 2023-24 Last year for contributions 2021-22

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year			
	Actual		Adopted Budget This Year <u>2017-18</u>		Proposed By Budget Officer	Approved By Budget Committee	2018-19 Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17						
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	79,591	148,452	207,000	2. Working Capital * (accrual basis)	280,000	280,000	280,000	2
3				3.				3
4	322	766	500	4. Earning from temporary investments <small>13-4050</small>	600	600	600	4
5				5. Transfer from General Fund (pg. 4) <small>4160</small>				5
6				6. Transfer from Capital Project Fund (pg. 8)				6
7	68,540	84,422	58,728	7. System Development Charges <small>4400</small>	58,728	58,728	58,728	7
8				8.				8
9	148,453	233,640	266,228	9. Total Resources, except taxes to be levied	339,328	339,328	339,328	9
10			0	10. Taxes necessary to balance				10
11				11. Taxes collected in year levied				11
12	148,453	233,640	266,228	12. TOTAL RESOURCES	339,328	339,328	339,328	12
				REQUIREMENTS				
13				13. CAPITAL OUTLAY:				13
14				14.				14
15				15. SDC - plan update: SRWD <small>5726,5728,5780</small>				15
16				16. Master Plan Study/Update <small>5710</small>				16
17		12	266,228	17. SDC Improvements <small>5727</small>	339,328	339,328	339,328	17
18				18.				18
19				19. TRANSFERS:				19
20				20. CPF Master Plan phase 3 (pg. 8) <small>5900</small>				20
21				21. Water Source Enhancement (pg. 12) <small>5900</small>				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28	148,453	233,628	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	148,453	233,640	266,228	29. TOTAL REQUIREMENTS	339,328	339,328	339,328	29

*Includes unappropriated Balance Budgeted Last Year

RESERVE FUND
RESOURCES AND REQUIREMENTS
WATER SOURCE & DISTRIBUTION SYSTEM IMPROVEMENT RESERVE

This fund is authorized by ORS 280.100 and established by resolution / ordinance number 0400-01, on April 27, 2000, extended per Resolution #0411-01 (4/21/11), for the following specified purposes: For maintaining and enhancing of water sources & improving SRWD Distribution System.

Fund

(Formerly Toledo Investment Plan Reserve)

Any balance in a fund referred to in ORS 280.110 that is not expended or obligated by definite commitments within 12 years from the date of the election or the adoption of the ordinance or resolution pursuant to which the fund was established shall revert to and become a part of the general fund of the subdivision and shall be transferred thereto by the treasurer or other financial officer thereof. Annual contributions to such funds shall be limited to a period not to exceed ten years.

Last year for fund 2023-24 Last year for contributions 2021-22

\$1,000,000 annual / \$2,000,000 max.

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year		2018-19		
	Actual		Adopted Budget This Year <u>2017-18</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2015-16	First Preceding Year 2016-17							
				Beginning Balance					
1				1. Cash on Hand * (cash basis), or					1
2	500,562	507,376	575,000	2. Working Capital * (accrual basis)	720,000	720,000	720,000		2
3				3. Previously levied taxes estimated to be received					3
4	1,933	5,283	2,000	4. Earning from temporary investments 20-4050	2,000	2,000	2,000		4
5	100,000	96,900	158,020	5. Transfer from General Fund (pg. 4) 4160	189,570	189,570	189,570		5
6				6.					6
7				7.					7
8				8. Grant Lincoln County - Desalination					8
9	602,495	609,559	735,020	9. Total Resources, except taxes to be levied	911,570	911,570	911,570		9
10			0	10. Taxes necessary to balance					10
11				11. Taxes collected in year levied					11
12	602,495	609,559	735,020	12. TOTAL RESOURCES	911,570	911,570	911,570		12
				REQUIREMENTS					
13				13.					13
14				14. CAPITAL OUTLAY:					14
15				15.					15
16				16. Desalination Feasibility Study					16
17	65,283		200,000	17. City of Toledo - Improvements 5670	200,000	0	0		17
18			200,000	18. Other Water Source Improvement 5672	200,000	200,000	200,000		18
19			100,000	19. Consultants	100,000	100,000	100,000		19
20	29,837	511	235,020	20. SRWD System Improvement 5674	411,570	611,570	611,570		20
21				21. Transfer to CPF (pg. 8)					21
22				22.					22
23				23.					23
24				24.					24
25				25.					25
26				26.					26
27				27.					27
28	507,375	609,048	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0		28
29	602,495	609,559	735,020	29. TOTAL REQUIREMENTS	911,570	911,570	911,570		29

*Includes unappropriated Balance Budgeted Last Year

FORM
LB-11

This fund is authorized by ORS 280.100 and established by resolution / ordinance number 0403-02, on April 17, 2003; extended per Resolution No. 0416-01 (4/21/16)

for the following specified purposes:

For land acquisition and building needs to support and enhance source water and improving distribution system.

\$80,000 / \$750,000 max.

**RESERVE FUND
RESOURCES AND REQUIREMENTS**

SRWD LAND & BUILDINGS RESERVE

Fund

SEAL ROCK WATER DISTRICT

Any balance in a fund referred to in ORS 280.110 that is not expended or obligated by definite commitments within 12 years from the date of the election or the adoption of the ordinance or resolution pursuant to which the fund was established shall revert to and become a part of the general fund of the subdivision and shall be transferred thereto by the treasurer or other financial officer thereof. Annual contributions to such funds shall be limited to a period not to exceed ten years.

Last year for fund 2028-29 Last year for contributions 2026-27

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year		2018-19	
	Actual		Adopted Budget This Year 2017-18		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-16	First Preceding Year 2016-17						
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	134,651	135,120	135,000	2. Working Capital * (accrual basis)	137,000	137,000	137,000	2
3				3. Previously levied taxes estimated to be received				3
4	469	1,192	800	4. Earning from temporary investments 07-4050	800	800	800	4
5				5. Transfer from General Fund (pg. 4) 4160				5
6				6. Grant Income 4016				6
7				7. Loan Proceeds 4017				7
8				8.				8
9	135,120	136,312	135,800	9. Total Resources, except taxes to be levied	137,800	137,800	137,800	9
10			0	10. Taxes necessary to balance				10
11	0	0		11. Taxes collected in year levied				11
12	135,120	136,312	135,800	12. TOTAL RESOURCES	137,800	137,800	137,800	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY:				14
15			135,800	15. Land / Office and Shop buildings 5730	137,800	137,800	137,800	15
16				16. Misc. Expense/Engineering 5731				16
17				17. Interim Loan Payment 5060				17
18				18. Legal 5732				18
19				19. Architect 5733				19
20				20. Administration 5739				20
21				21. Interest Expense 5050				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28	135,120	136,312	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	135,120	136,312	135,800	29. TOTAL REQUIREMENTS	137,800	137,800	137,800	29

* Includes unappropriated Balance Budgeted Last Year

**SEAL ROCK WATER DISTRICT BUDGET RESOLUTIONS
FISCAL YEAR 2018-19 BUDGET**

RESOLUTION NO. 0618-01

RESOLUTION ADOPTING THE 2018-19 BUDGET

BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF SEAL ROCK WATER DISTRICT HEREBY ADOPTS THE BUDGET FOR FISCAL YEAR 2018-19 IN THE TOTAL AMOUNT OF \$19,345,748. THIS BUDGET IS NOW ON FILE AT THE DISTRICT OFFICE AT 1037 NW GREBE STREET, SEAL ROCK, OREGON.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED THAT THE AMOUNTS SHOWN BELOW ARE HEREBY APPROPRIATED FOR THE FISCAL YEAR BEGINNING JULY 1, 2018, FOR THE FOLLOWING PURPOSES:

1)	<u>GENERAL FUND:</u>		
	PERSONNEL & SERVICES	\$866,300	
	MATERIALS AND SERVICES	\$834,400	
	CAPITAL OUTLAY	\$ 93,000	
	TRANSFER TO OTHER FUNDS	\$640,000	
	GENERAL OPERATING CONTINGENCIES	\$100,000	
	TOTAL GENERAL FUND APPROPRIATIONS		\$2,533,700
2)	<u>DEBT SERVICE FUND:</u>		
	DEBT SERVICE	\$779,290	
	TOTAL DEBT SERVICE FUND APPROPRIATIONS:		\$779,290
3)	<u>REVENUE BOND FUND:</u>		
	DEBT SERVICE	\$147,120	
	TOTAL REVENUE BOND FUND APPROPRIATIONS		\$147,120
4)	<u>CAPITAL PROJECT FUND:</u>		
	CAPITAL OUTLAY	\$13,693,500	
	TOTAL CAPITAL PROJECT FUND APPROPRIATIONS		\$13,693,500
5)	<u>RURAL DEVELOPMENT REQUIREMENT RESERVE FUND:</u>		
	CAPITAL OUTLAY	\$54,180	
	TOTAL R.D. REQUIREMENT RESERVE FUND APPROPRIATIONS		\$54,180
6)	<u>SYSTEM DEVELOPMENT CHARGES FUND:</u>		
	CAPITAL OUTLAY	\$339,328	
	TOTAL SYSTEM DEVELOPMENT CHARGES FUND APPROPRIATIONS		\$339,328
7)	<u>SLARRA/DEPRECIATION RESERVE FUND:</u>		
	CAPITAL OUTLAY	\$354,600	
	TOTAL SLARRA/DEPRECIATION RESERVE FUND APPROPRIATIONS		\$354,600

**SEAL ROCK WATER DISTRICT BUDGET RESOLUTIONS
FISCAL YEAR 2018-19 BUDGET**

8)	<u>WATER SOURCE IMPROVEMENT RESERVE FUND:</u>		
	CAPITAL OUTLAY	\$911,570	
	TOTAL WATER SOURCE IMP. RSRV. FUND APPROPRIATIONS		\$911,570
9)	<u>SRWD LAND & BUILDING RESERVE FUND:</u>		
	CAPITAL OUTLAY	\$137,800	
	TOTAL SRWD LAND & BUILDING RESERVE FUND APPROPRIATIONS		\$137,800
	TOTAL APPROPRIATIONS – ALL FUNDS	\$18,951,088	
	TOTAL UNAPPROPRIATED & RESERVE AMOUNTS – ALL FUNDS	\$394,660	
	TOTAL ADOPTED BUDGET- ALL FUNDS	<u>\$19,345,748</u>	

RESOLUTION IMPOSING THE TAX

BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF THE SEAL ROCK WATER DISTRICT HEREBY IMPOSES THE FOLLOWING AD VALOREM PROPERTY TAXES WITHIN THE DISTRICT FOR TAX YEAR 2018-19 BEGINNING July 1, 2018:

- 1) AT THE PERMANENT RATE OF \$0.1259 PER \$1,000 OF ASSESSED VALUE FOR THE GENERAL FUND OPERATIONS AND
- 2) IN THE AMOUNT OF \$770,300 FOR DEBT SERVICE ON THE GENERAL OBLIGATION BONDS;

RESOLUTION CATEGORIZING THE TAX

BE IT RESOLVED THAT THE TAXES IMPOSED ARE HEREBY CATEGORIZED FOR PURPOSES OF ARTICLE XI SECTION 11b AS:

SUBJECT TO THE GENERAL GOVERNMENT LIMITATION

PERMANENT TAX RATE \$0.1259/\$1,000

EXCLUDED FROM LIMITATION

GENERAL OBLIGATION BOND DEBT SERVICE \$770,300

THE ABOVE RESOLUTION STATEMENTS WERE APPROVED AND DECLARED ADOPTED ON THIS 14TH DAY OF JUNE 2018.



 GLEN MORRIS, TREASURER
 SRWD BOARD OF COMMISSIONERS

I perform better under pressure.

If only our water infrastructure could talk to us. The pipes beneath our streets might remind us that they need constant attention to remain steadfast and efficient. They might also remind us that only tap water keeps us healthy, protects us from fire, supports our economy and provides the high quality of life we enjoy.

We are all stewards of the water infrastructure that previous generations handed down to us, and our water bills pay to keep those pipes strong and reliable. For more information about what your tap water delivers, visit www.srwd.org.

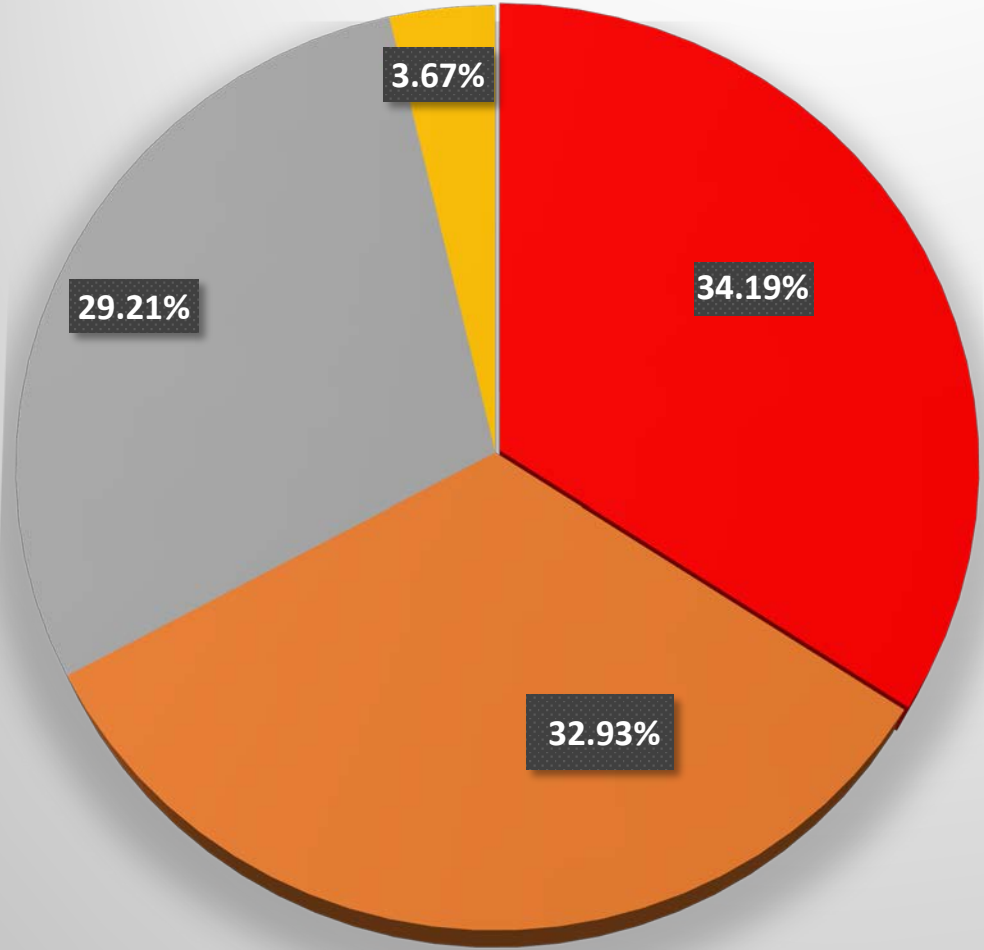
Only Tap Water Delivers



Presented in cooperation with

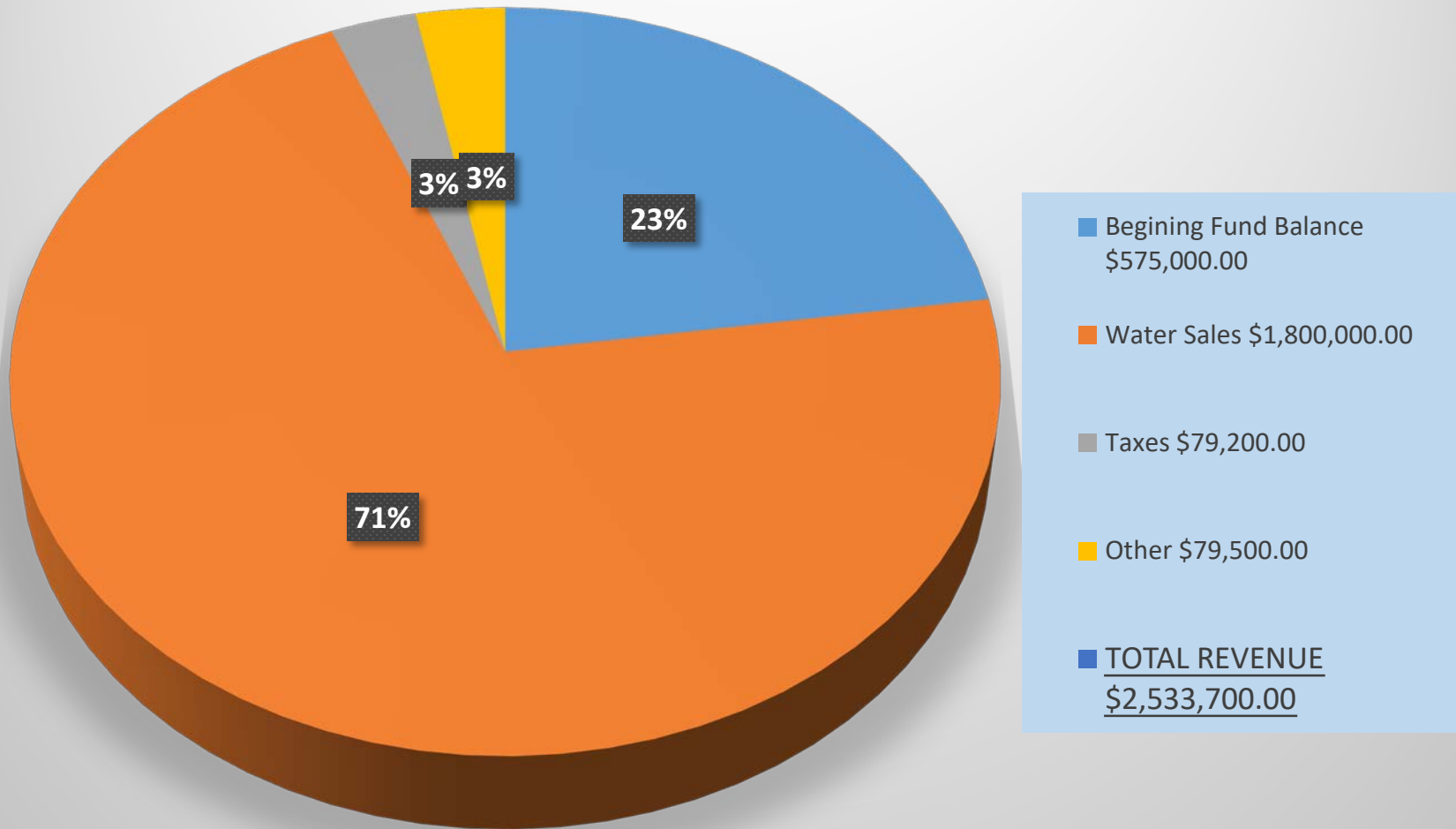
 American Water Works Association

General Fund Expenditures

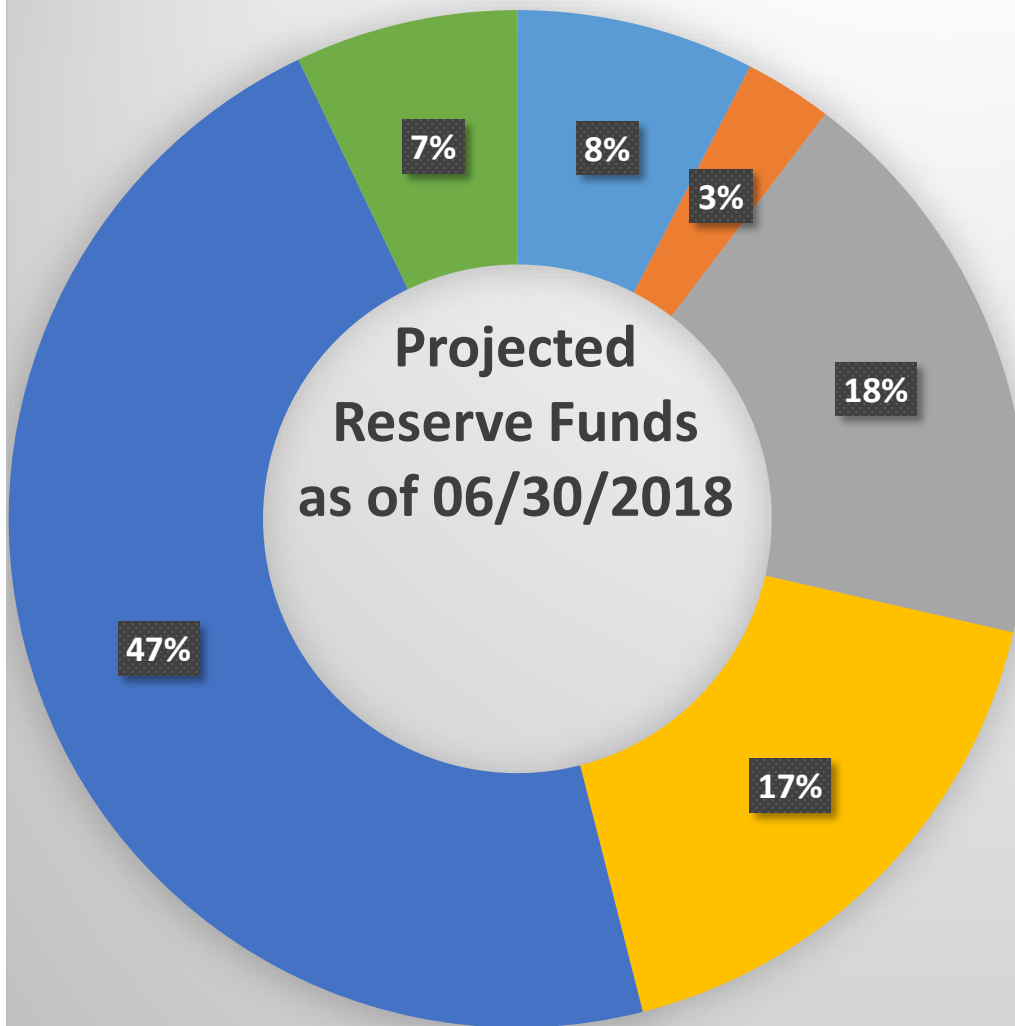


- Personnel Services \$866,300.00
- Materials & Services \$834,400.00
- Transfers Incl Contingency \$740,000.00
- Capital Outlay \$93,000.00
- Total Expenditures \$2,533,700.00

General Fund Revenues

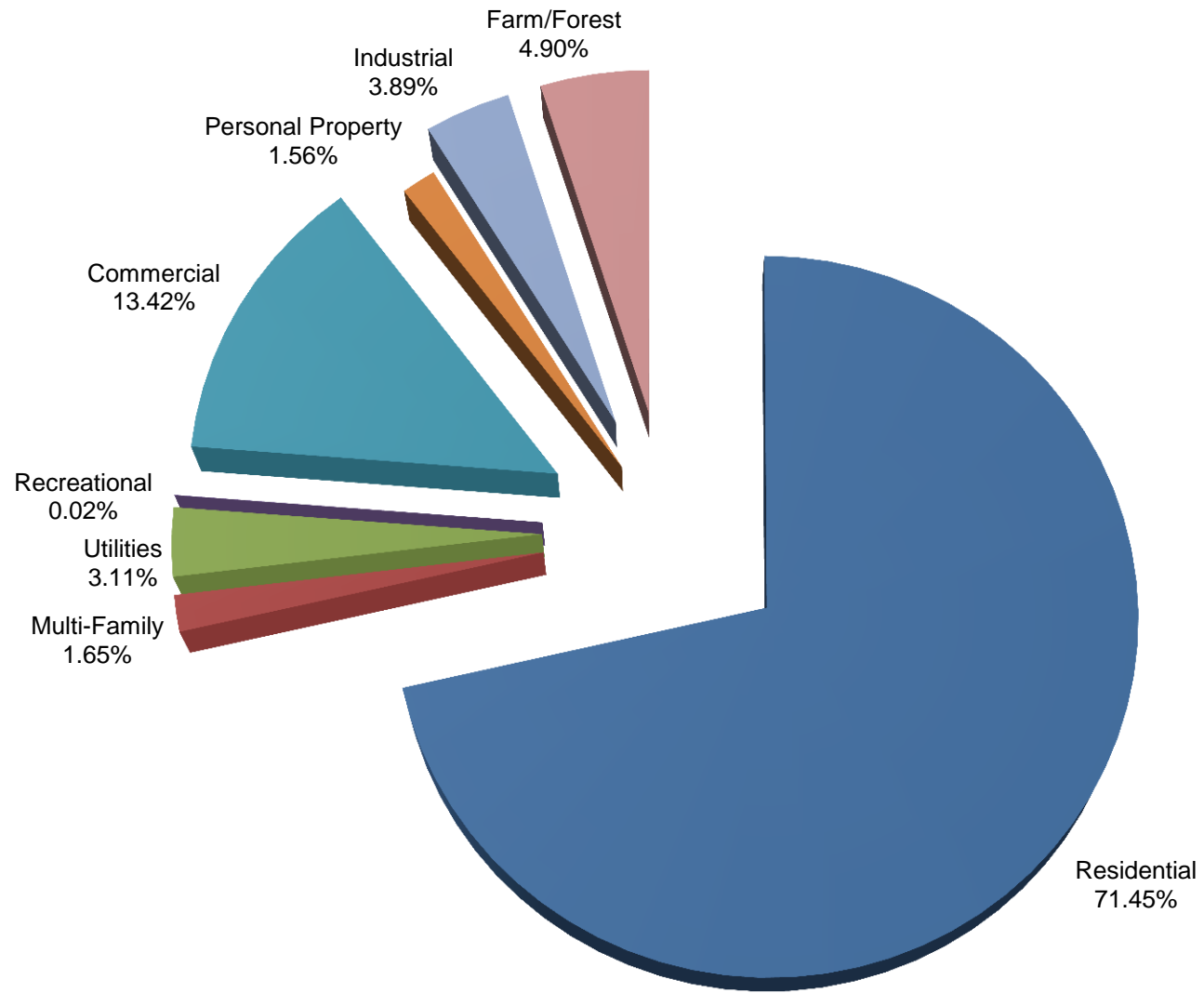


**Projected
Reserve Funds
as of 06/30/2018**

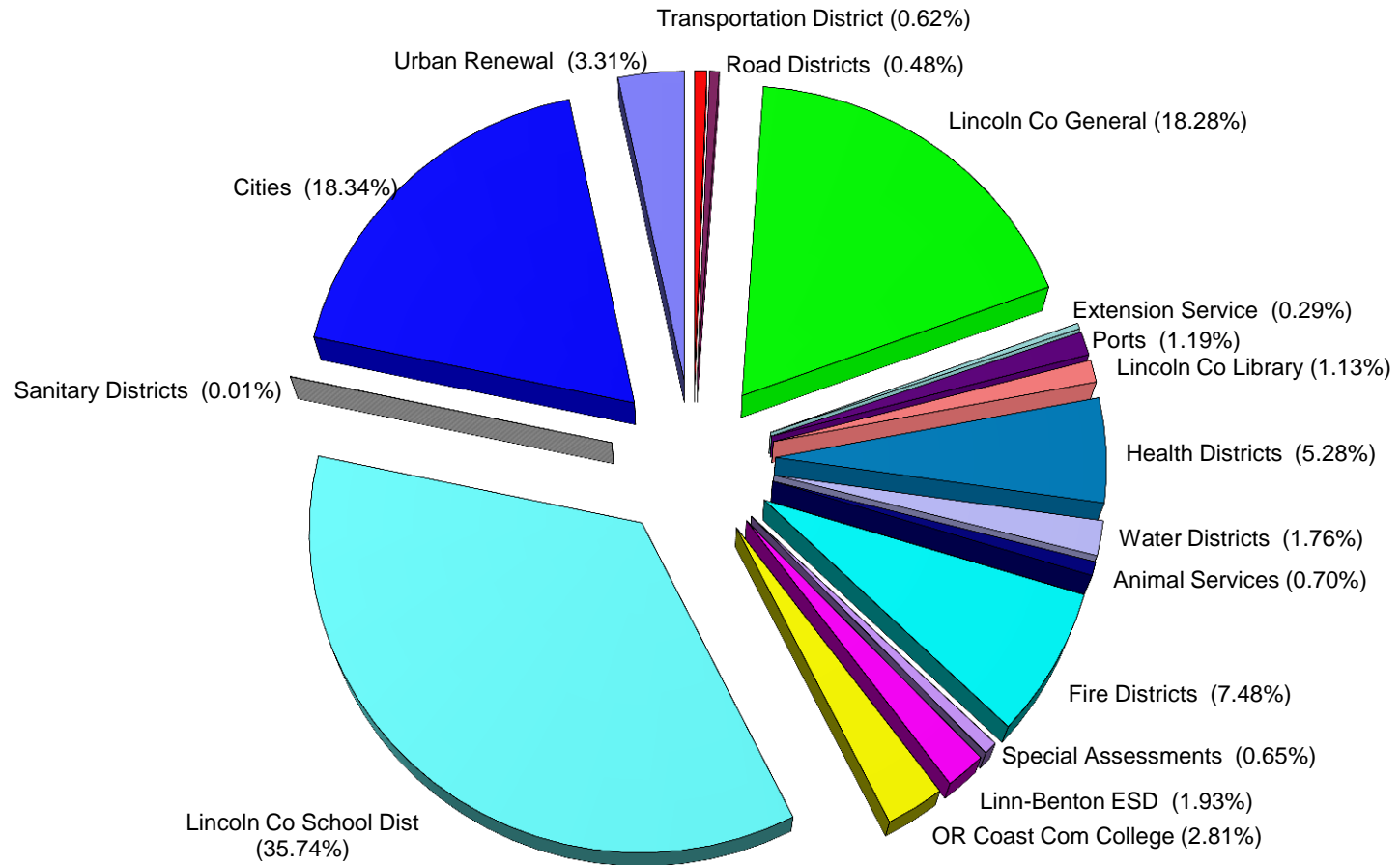


- Revenue Bond Reserves \$147,120.00
- RD Reserve Fund \$54,180.00
- SLARRA Fund \$354,600.00
- SDC Reserve Fund \$339,328.00
- Source Water and Dist Imp Fund \$911,570.00
- SRWD Building Reserve \$137,800.00

**WHO PAYS LINCOLN COUNTY PROPERTY TAXES
2017-2018**



LINCOLN COUNTY 2017-2018 YOUR TAX DOLLAR DISTRIBUTION



ONE-STOP PROJECT SUMMARY

Date February 14, 2017

Client Name Seal Rock Water District

Name of Project SRWWD Phase-4 intake/water treatment project

Project Description

Currently purchase water from the city of Toledo. This source is vulnerable to earthquake and tsunami. This new system will add resiliency and reduce O&M costs.

Project Solution

Obtain a new source, from Beaver Creek, and build a treatment facility.

Project Background	
Type of Project	Water
Compliance Issue	No
Business Commitment	
# Jobs Created/Retained	

Project Financing	
Estimated Project Cost	\$12,500,000
Local Contribution	\$6,500,000
Assistance Requested	\$6,000,000
Source of Loan Repayment	Fees and Taxes

Water and Sewer Only	
Projected OM&R	\$1,645,610
Current OM&R	\$1,597,680
Existing DS	\$855,412
Current Avg Monthly OM&R + DS per EDU	\$70.69
Current Avg Monthly User Rate per EDU	\$93.21
Property Tax applied to Utility	\$551,460.00

Demographics	
EDU's	2,892
Connections	2,597
Population	4428
Unemployment Rate	6.50%
Community MHI	\$56,083
Statewide MHI	\$50,521
Percentage of Statewide MHI	111%
LMI %	?
Distressed Index	
County	Lincoln County
Affordability Rate	\$58.42

Term Key	
EDU	Equivalent Dwelling Unit
MHI	Median Household Income
LMI	Low/Moderate Income
OM&R	Operations, Maintenance, Repair
DS	Debt Service

ONE-STOP SCENARIO - IFA

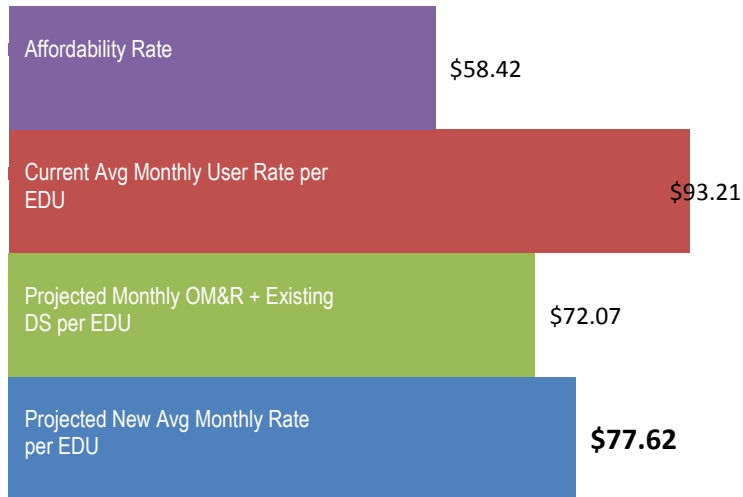
Estimated Project Cost	\$12,500,000
Local Contribution	\$6,500,000
Assistance Requested	\$6,000,000

Projected Monthly OM&R + Existing DS per EDU	\$72.07
Monthly New DS per EDU	\$5.55
Projected New Avg Monthly Rate per EDU	\$77.62

Partner	Program	Total Financing	Grant Amount	Loan Amount	Financing Terms		
					Loan Repayment Term (yrs)	Estimated Interest Rate	Annual Debt Payment
IFA	SDWRLF	\$6,000,000	\$1,030,000	\$4,970,000	30	1.000%	\$192,578

Total Financed **\$6,000,000** Financing Gap **\$0** Annual Debt Service **\$192,578**

Impact per EDU



Notes	
SDWRLF	Must meet affordability criteria for subsidized interest rate and principal forgiveness eligibility. Interest rates set quarterly. DWAC approval required for loans >\$6MM. IFA Board approval required for grant >\$750,000 or loan >\$3MM.

ONE-STOP SCENARIO - USDA

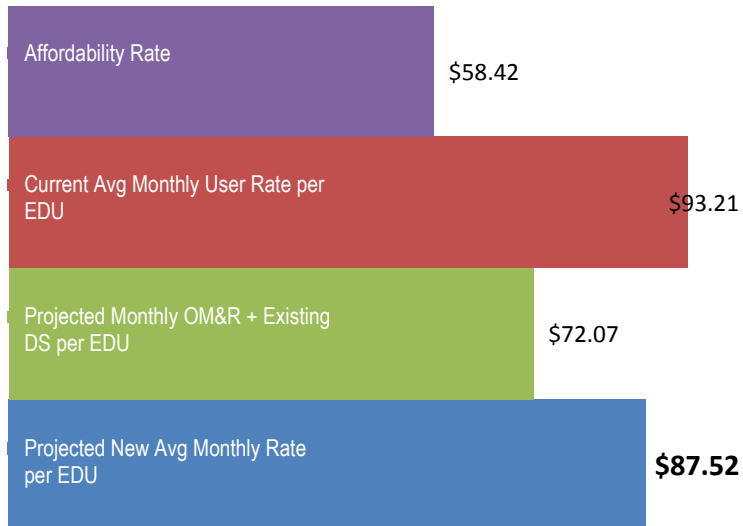
Estimated Project Cost	\$12,500,000
Local Contribution	\$0
Assistance Requested	\$12,500,000

Projected Monthly OM&R + Existing DS per EDU	\$72.07
Monthly New DS per EDU	\$15.45
Projected New Avg Monthly Rate per EDU	\$87.52

Partner	Program	Total Financing	Grant Amount	Loan Amount	Financing Terms		
					Loan Repayment Term (yrs)	Estimated Interest Rate	Annual Debt Payment
USDA	RUS	\$9,049,000	\$2,500,000	\$6,549,000	25	2.750%	\$365,696
USDA	RUS	\$3,451,000	\$0	\$3,451,000	30	2.750%	\$170,426

Total Financed	\$12,500,000	Financing Gap	\$0	Annual Debt Service	\$536,122
----------------	---------------------	---------------	------------	---------------------	------------------

Impact per EDU



Notes	
RUS	G.O. or Revenue Bond. USDA/RUS will require 10% Annual Debt Service Reserve be established. Interim financing will be required. Up to 45% grants. Environmental report with cultural study. Short lived assets reserve.
RUS	G.O. or Revenue Bond. USDA/RUS will require 10% Annual Debt Service Reserve be established. Interim financing will be required. Up to 45% grants. Environmental report with cultural study. Short lived assets reserve.

ONE-STOP SCENARIO - USDA & IFA

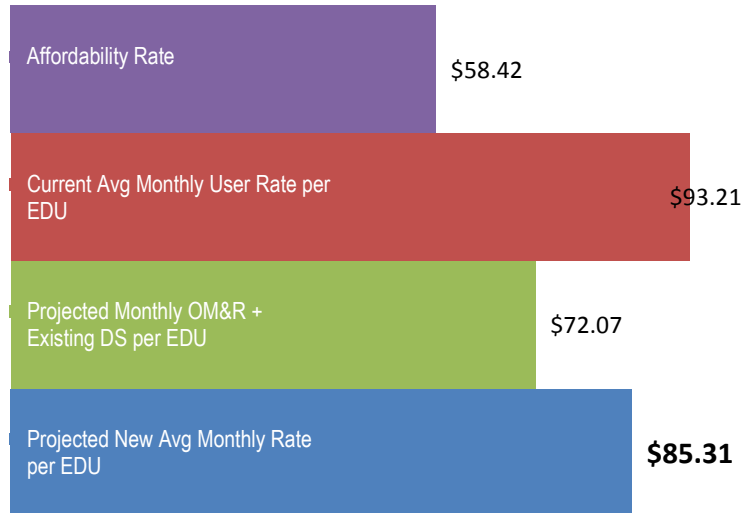
Estimated Project Cost	\$12,500,000
Local Contribution	\$0
Assistance Requested	\$12,500,000

Projected Monthly OM&R + Existing DS per EDU	\$72.07
Monthly New DS per EDU	\$13.24
Projected New Avg Monthly Rate per EDU	\$85.31

Partner	Program	Total Financing	Grant Amount	Loan Amount	Financing Terms		
					Loan Repayment Term (yrs)	Estimated Interest Rate	Annual Debt Payment
USDA	RUS	\$9,049,000	\$2,500,000	\$6,549,000	25	2.750%	\$365,696
IFA	SDWRLF	\$3,451,000	\$1,030,000	\$2,421,000	30	1.000%	\$93,809

Total Financed	\$12,500,000	Financing Gap	\$0	Annual Debt Service	\$459,505
----------------	---------------------	---------------	------------	---------------------	------------------

Impact per EDU



Notes	
RUS	G.O. or Revenue Bond. USDA/RUS will require 10% Annual Debt Service Reserve be established. Interim financing will be required. Up to 45% grants. Environmental report with cultural study. Short lived assets reserve.
SDWRLF	Must meet affordability criteria for subsidized interest rate and principal forgiveness eligibility. Interest rates set quarterly. DWAC approval required for loans >\$6MM. IFA Board approval required for grant >\$750,000 or loan >\$3MM.

ONE-STOP SCENARIO COMPARISONS

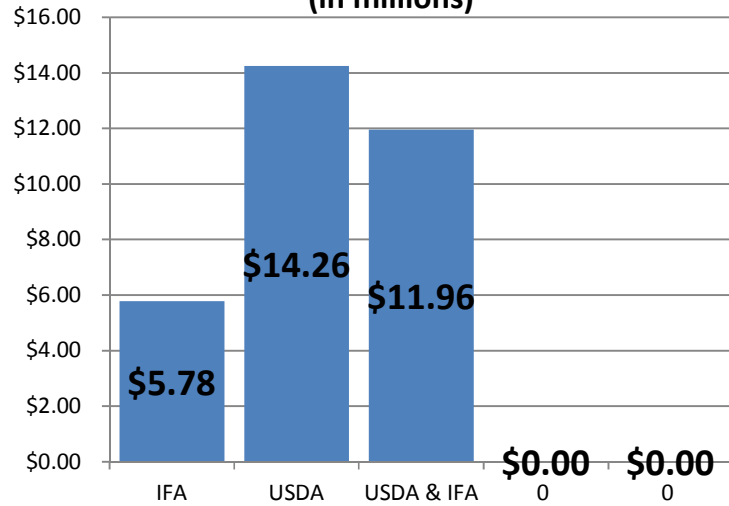
Estimated Project Cost	\$12,500,000
Local Contribution	\$6,500,000
Assistance Requested	\$6,000,000

Current Avg Monthly User Rate per EDU \$93.21

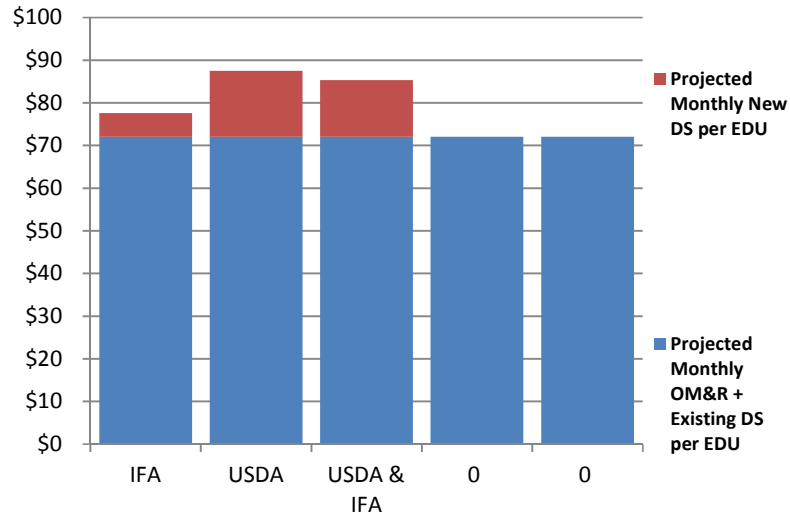
Projected Monthly OM&R + Existing DS per EDU \$72.07

Scenario	Total Financing	Grant Amount	Loan Amount	Annual Debt Payment	Total Payments over Life of Loan	Projected Monthly New DS per EDU	Projected New Avg Monthly Rate per EDU	# of Funding Partners	Rate	Term Years
IFA	\$6,000,000	\$1,030,000	\$4,970,000	\$192,578	\$5,777,344	\$5.55	\$77.62	1	1.00%	30
USDA	\$12,500,000	\$2,500,000	\$10,000,000	\$536,122	\$14,255,169	\$15.45	\$87.52	1	2.75%	25 & 30
USDA & IFA	\$12,500,000	\$3,530,000	\$8,970,000	\$459,505	\$11,956,675	\$13.24	\$85.31	2	2.75% & 1%	25 & 30
0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$72.07	0	0.00%	0
0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$72.07	0	0.00%	0

**Total Payments over Life of Loan
(in millions)**



Projected New Avg Monthly Rate per EDU



ONE-STOP FUNDING PARTNER INFORMATION

Partner	Program	Assistance Available	Key Considerations	How to Apply
IFA	SPWF W/W SDWRLF DWSPE CDBG	Loans, Grants, TA Loans, Grants, TA Loans, Principal Forgiveness Loans, Grants Grants	*Estimated rates; Direct rates are set quarterly. Oregon Bond Bank rates are set at time of the Bond Sale Debt Service Coverage Requirement	Contact your local Regional Coordinator
DEQ	CWSRF	Loans, Principal Forgiveness Interim Financing (for USDA) Planning Loans	***DEQ Rate is "Effective rate" which includes .5% fee Debt Service Reserve Requirement	Contact your local Project Officer
USDA	RUS	Loans, Grants	** USDA/RUS will require 10% Annual Debt Service G.O. or Revenue Bond Debt Service Reserve Requirement	Contact CP Area Specialist Apply online
WRD	Project Feasibility Project Implementation	Grants Loans, Grants	Cost-Share 50% required (cash or in-kind). Cost-Share 25% required for grants (cash or in-kind).	Contact Jon Unger Grant Program Coordinator jon.j.unger@wrд.state.or.us (503) 986-0869
LOC AOC	Pooled Bond	Bond, Loans, TA Interim Financing (for USDA)	administered by Wedbush Securities	Contact LOC Contact AOC
SDAO	Services and Programs	Loans, TA	special districts association funding program	Contact SDAO
EDA OHA RCAC OAWU	Public Works DWP Programs and Services	Loans, Grants TA Loans, TA TA	federal financing for public works projects circuit rider for drinking water projects technical assistance water utility assistance	Apply online More Information Contact RCAC Contact OAWU

ONE-STOP CONTACT LIST

Date February 14, 2017

Client Name Seal Rock Water District

Name of Project SRWWD Phase-4 intake/water treatment project

Name	Title / Role	Representing	Phone	Email
Adam Denlinger	General Manager	Seal Rock Water District	541-563-3529	adenlinger@srwd.org
David Ulbricht	Municipal Advisor	SDAO	503-375-8883	dulbricht@sdao.com
Dennis Knight	Finance Officer	OBDD	503-986-0171	Dennis.knight@oregon.gov
Glen Morris	Board Member	Seal Rock Water District	541-563-3143	gmorris@srwd.org
Holly Halligan	CP Area Specialist	USDA – RD	541-967-5925	Holly.halligan@or.usda.gov
Janna Graham	Finance Officer	OBDD	503-986-0128	Janna.G.Graham@oregon.gov
Jeremy McVeety	SDWRLF/DWSPF Program & Policy Sp	OBDD	503-507-7107	Jeremy.mcveety@oregon.gov
John Garcia	Board Member	Seal Rock Water District	541-867-6597	jgarcia@pioneer.net
Joy King	Office Manager	SRWD	541-563-3599	info@srwd.org
Karen Otta	Board Member	SRWD	720-277-6652	karen@rtdavis.net
Melissa Murphy	Regional Coordinator	OBDD	503-986-0133	Melissa.murphy@oregon.gov
Paul Berg	Project Manager	CH2M	541-768-3413	Paul.berg@ch2m.com
Rich Rodriguez	Finance Officer	OBDD	503-986-0149	Rich.rodriquez@oregon.gov
Sam Goldstein	Community Programs Director	USDA – RD	503-414-3362	Sam.goldstein@or.usda.gov
Tia Cavendar	Grants Consultant	Chase Park Grants	720-785-4155	tia@chaseparkgrants.com