



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

2016-2017 Proposed Budget





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Seal Rock Water District

SEAL ROCK WATER DISTRICT
Notice of Budget Committee Meeting & Agenda
Thursday April 21, 2016 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 per ORS 294.336 (8)
3. Read Budget Message for Fiscal Year 2016-2017
Provided by: Adam Denlinger, General Manager
4. Amend / Approve Budget Document
Resolution No. 0416-01 to extend SRWD Land & Building Reserve Fund
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 \$587,500 as the ad valorem property taxes to be certified for collection, as of July 1, 2016.

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

7. Adjourn Budget Committee Meeting.
8. Budget Hearing is on May 12, 2016 @ 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



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Seal Rock Water District

Budget Calendar

2016 -2017

#	Description	Schedule	Dates
1	Appoint Budget Officer	January Regular Board Meeting	Jan. 14, 2016
2	Appoint/Reappoint Budget Committee	January Regular Board Meeting	Jan. 14, 2016
3	Publish 1st Notice of budget meeting	No more than 30 days before the meeting	Mar. 30, 2016
4	Publish 2nd Notice of budget meeting	No less than 5 days before the meeting	Apr. 6, 2016
5	*Budget Committee Meets for the first time	3rd Thursday in April	Apr. 21, 2016
6	Publish Notice/Summary Budget Hearing	5 to 30 days before Hearing	Apr. 29, 2016
7	Budget Hearing/determine Tax Levy	May Regular Board Meeting	May 12, 2016
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 9, 2016
9	Submit tax certification to Assessor Office	By July 15th (date set by law)	July 6, 2016
10	Submit copy of complete budget to County Clerk	By September 30	July 6, 2016

**Additional meetings can be held if the budget is not approved by the Budget Committee on April 21, 2016*

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

MOCON Corporation - kellen@moconcorp.com
4909 Oregon Coast Hwy, South Beach



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Seal Rock Water District

Date: February 16, 2016
To: Budget Committee
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 work with you and others on the Budget Committee as we work together to develop the District's budget in the days and weeks to come.

Enclosed please find the budget calendar for the 2016-2017 budget process. We have scheduled the budget committee meeting for 6:00 pm on April 21, 2016. It is our intent to provide you with a proposed budget document one week before this meeting.

I look forward to meeting with 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: 2016/2017 Budget Calendar



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Seal Rock Water District

2016-2017 Annual Budget

District staff would like to extend a 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.

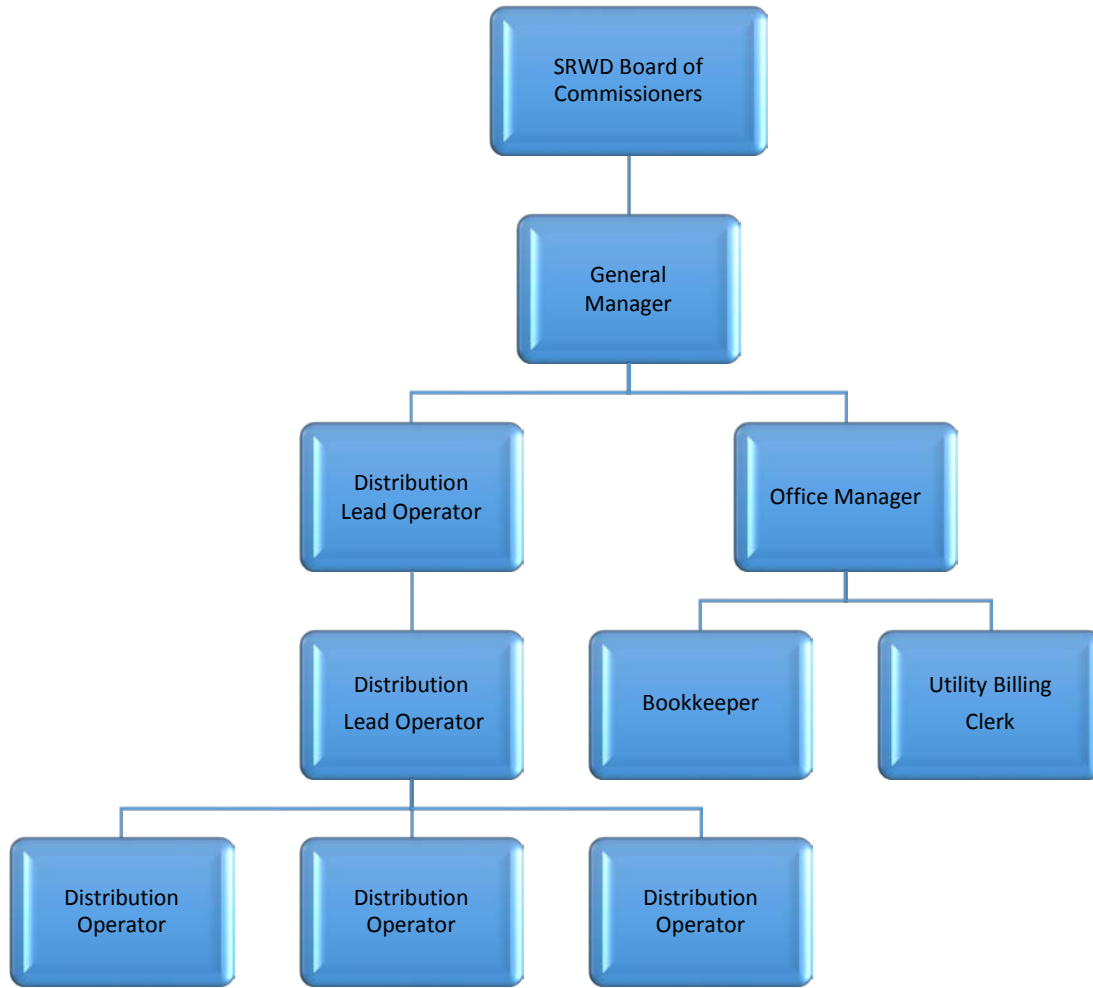
SRWD Board of Commissioners:

- 1) Position 1 – Sandra Mies-Grantham – Re-elected May 2013 4 year term – Term expires 6/30/17
- 2) Position 2 – John Garcia – Re-elected May 2013 4 year term – Term expires 6/30/17
- 3) Position 3 – John Filbert – Re-elected May 2013 4 year term – Term expires 6/30/17
- 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 | Appointed | Mar 14, 2013 – Term Expires – June 2016 |
| 2) James Senn | Reappointed | Jan 2016 - Term Expires – June 2019 |
| 3) Barry Compton | Reappointed | Jan 2016 - Term Expires - June 2019 |
| 4) Garry Helms | Reappointed | Jan 2016 - 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

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



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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.

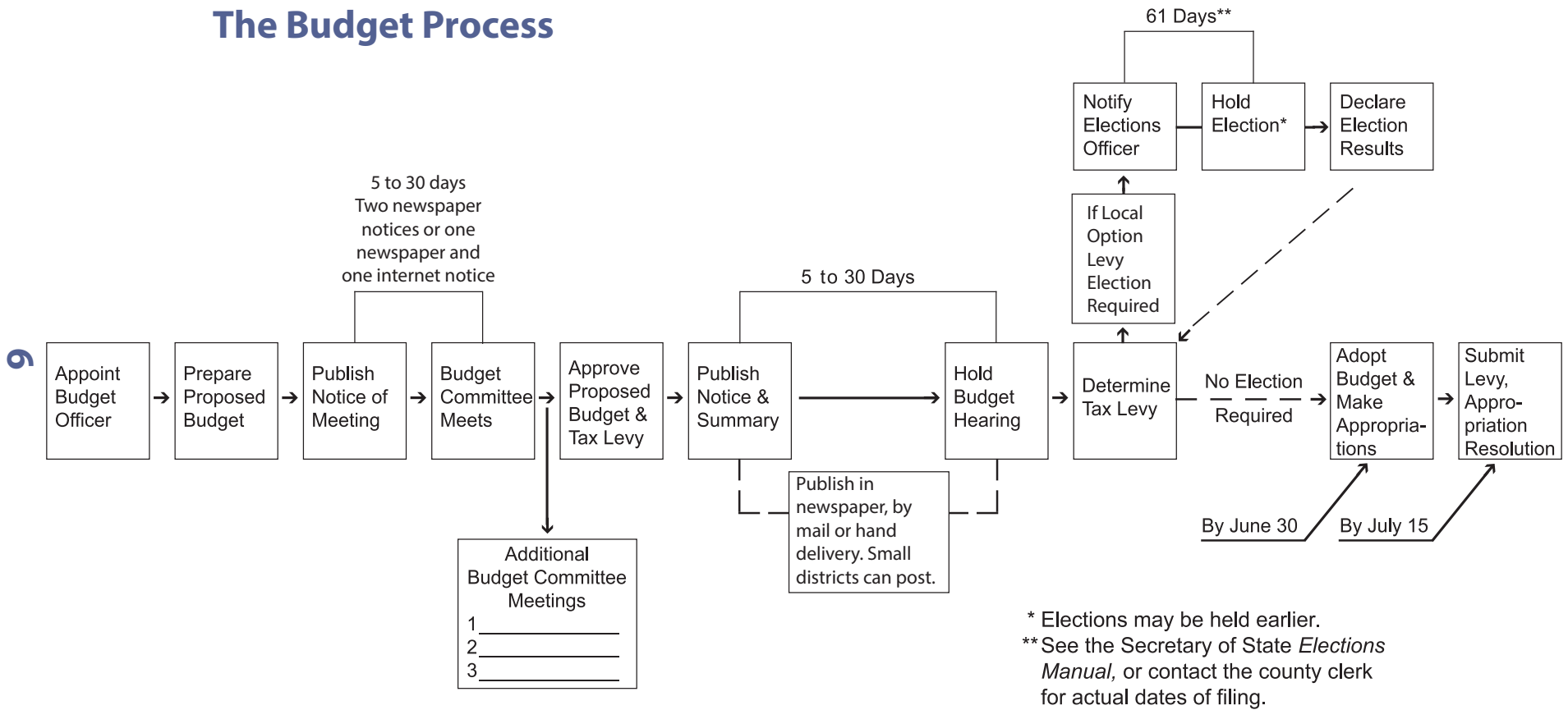
Election dates

- 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.

Do you know how often you turn me on?

If only the water faucet could talk to us. It might remind us how often we turn to it for safe water to drink, to wash our clothes, to prepare our food, to provide us with the everyday quality of life we enjoy. It might remind us that the water pipes below our streets make so many everyday conveniences possible.

Our water bills pay to keep our community tap water safe, reliable and there for us — 24/7 without fail. For more information about what your tap water delivers, visit www.srwd.org.



Only Tap Water DeliversSM



Presented in cooperation with

 American Water Works Association



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 2016-17. 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 compiling the budget. As your budget officer, I have worked closely with staff to present to you for your consideration a proposed balanced budget for the upcoming fiscal year.

Adoption of the budget is one of the most important actions taken by the Board of Commissioners. The 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 continuing implications, it establishes long term direction. This budget is a reflection of the District's efforts to balance funding of the ongoing operational needs of supplying water service to the Community of Seal Rock.

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, and the March 2015 Source Water Study we can expect to see declining reserves. Escalating costs for wholesale source water, system maintenance and improvements will make it imperative that we continue to prioritize goals, services and challenges to maintain a clear and strong financial work plan that addresses future needs. As a result of lower increases in source water supply for the District, a balanced budget for 2016/2017 can be achieved without an adjustment in the rate. As such the 2016/2017 proposed budget does not include a rate increase. However, this position does not limit Commissioners from considering a rate increase, and directing staff to adjust the rate based on increases related to the cost for source water supply.

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 2016-2017 has been prepared pursuant to Oregon Local Budget Law, and meets or exceeds guidance provided in the Oregon Department of Revenues 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 2016-17. This budget includes projected loan and grant revenues for capital projects. In addition, the fiscal Year 2016-2017 budget document is projected to provide status quo service levels with no reduction in personnel.

The 2016/2017 Proposed Budget Document, presented in Oregon State LB (Local Budget) forms, consists of 15 pages representing 11-funds. The following is a brief description of the 6 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; and 2013 which refinanced the 2007 G.O. Bond. 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).

2000 Loan Payment and Reserve Fund: (pg. 8) this is mandatory to meet annual loan obligation. This loan funded the 12-inch Ona Beach line improvements, Thiel Creek disinfectant system, and building improvements, along with litigation settlement. This loan was refinanced using part of the 2012 \$5 million G.O. Bond proceeds. This budget sheet will be removed from the budget when retention is met.

Capital Projects Fund: (pg. 9) this is mandatory to maintain financial information for major system improvement projects; funds are received from loans, grants or transfer from the General Fund, Water Source Improvement Reserves, and SDC Funds.

Reserve Funds: (pgs. 10 through 15) 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, Special Projects, and Property Building reserves. A separate page with detail explanation of each fund is attached for the Budget Committee's use.

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; to refinance existing indebtedness to take advantage of the 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 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. This made it possible for the District not to increase the water rates for fiscal year 2012-13 and FY 2013-14. 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.

The District received notification in December 2015 from the City of Toledo to expect a wholesale water rate increase of 4.7%, effective January 2016. The current wholesale rate is now \$3.57 per 1,000 gallons; this is an increase of \$.16 from last year. The wholesale rate is based on the City's annual costs of administering and operating those portions of the water system related to delivery of water and will have three primary cost elements: capital, operating and administration. Included in the wholesale water purchase agreement, the District funds 50% of the City's major and minor capital improvements of the system used in the delivery of water to the District. The City's two major capital improvements that the District has been supporting include: Siletz River Intake and Pump Station at a cost of \$1,838,472; and Olalla Reservoir Crossing with a cost of \$438,130. The District's share of these projects including engineering was \$1.6 million. These projects along with improvements to the Toledo WTP were completed in 2015.

District staff working closely with Engineers has developed a list of Capital Improvements outlined in Amendment No.2 of the 2010 Water System Master Plan, and known as Phase-3 improvements. There are 15-project locations included in the list that are categorized as priority-1 projects with total engineered estimated costs of about \$6 million. The District has \$10 million G.O. Bond Authority, and on April 10, 2014 staff received direction from the Board to apply for loans/grants through the United States Department of Agriculture (USDA) Rural Development loan program, to complete these improvements. As a result, in May of 2014 the District received a Letter of Condition (LOC) from USDA approving the District's application for funding. Conditions include a loan amount not to exceed

\$3,451,000.00, and grants not exceed \$2,549,045.00. The loan will be payable over a period of 25 years from the date of loan closing at an interest rate of 3.25%. The annual payments will be \$181,834.00. District staff will be working closely with funding agents, along with representatives from USDA in consideration of submitting grant applications to provide grant/loan funding to fund future Phase-4 improvements which includes developing a source water intake and water treatment facility currently estimated at \$9,000,000.00.

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 .96/1000. The Exempt Bond amount is \$587,500 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.

As a result of withdrawal and annexation of the South Beach City Service Area (CSA) by the City of Newport, the District has seen a reduction in tax revenue by 2.01% beginning July 01, 2015. The District has computed the proportionate share of the withdrawn property for the 2011 and 2012 bonds to be approximately \$159,982.56 as of July 1, 2015. City has agreed to satisfy the 2013 refinanced indebtedness in one payment which was received in July 2015. The District and the City have established a payment schedule to satisfy the 2011 and 2012 bonded indebtedness.

No COLA increase is expected for this fiscal year. Last year's Health Insurance Premium decreased by 5.38% and will increase by 11% beginning June 1, 2016. Beginning July 1, 2015 PERS employer contribution rate is 11.85%, the OPSRP rate is at 7.07%, and both rates will remain static until June 30, 2017. 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 12, 2016, and with approval of the Budget Committee, adoption of the Budget is scheduled for June 9, 2016, 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 2016-2017 - Population growth will be 1.0%.
- The District will pay its full contribution to PERS - Health care premiums will increase by 10.7%.
- 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 .96/1000.
- The budget will address the District's capital improvements approved in the 2010 Water Master.
- 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: 2,505
- 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.

RESOURCES

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			RESOURCES DESCRIPTION	Budget for Next Year <u>2016-17</u>			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				Beginning Fund Balance:				
1				1. Available cash on hand* (cash basis), or				1
2	347,201	397,441	290,000	2. Net Working Capital (accrual basis)	400,000			2
3	3,289	2,643	3,500	3. Previously levied taxes estimated to be received 4000	3,500			3
4	92	91	200	4. Interest 4050	200			4
5				5. OTHER RESOURCES				5
6				6.				6
7	1,458,249	1,596,960	1,591,000	7. Water Sales/Contract in Lieu of Water Sales 4020,4021	1,591,400			7
8	19,500	16,753	12,000	8. Service Connections 4030	22,500			8
9	32,336	30,843	33,500	9. Misc. Income 4040,4051,4052,4053,4060	40,500			9
10			1,000	10. Subdivision/Partition Assessments 4130	1,000			10
11				11.				11
12				12. Sale of Equipment / Fixed assets 4170,4180,4190				12
13	4,065	4,751	6,000	13. Prior Year Refund 4900	6,000			13
14	2,983	3,000	3,000	14. Grant - SDAO/FEMA 4016	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			0	21. Rural Dev. Requirement Reserve (pg. 10)				21
22			0	22. Land & Building Reserve				22
23	80,187	3,785	0	23. Special Project / ODOT Reserve (pg. 14) 4160				23
24			0	24. 2000 Loan Reserve				24
25				25.				25
26				26.				26
27				27.				27
28				28.				28
29	1,947,902	2,056,267	1,940,200	29. Total resources, except taxes to be levied	2,068,100	0	0	29
30			68,830	30. Taxes necessary to balance 4010	69,600			30
31	67,756	70,573		31. Taxes collected in year levied 4010				31
32	2,015,657	2,126,840	2,009,030	32. TOTAL RESOURCES	2,137,700	0	0	32

DETAILED REQUIREMENTS

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			ADMINISTRATIVE & OFFICE	Budget for Next Year			
	Actual		Adopted Budget This Year 2015-16		2016-17			
	Second Preceding Year 2013-14	First Preceding Year 2014-15			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1				1. PERSONNEL SERVICES:				1
2				2.				2
3	237,243	234,823	277,210	3. Salaries - Office 5010	263,800			3
4	96	0	800	4. Part Time Office / Overtime 5050,5068	800			4
5	156,299	167,166	182,000	5. Employees Benefits 5070,5080	198,290			5
6	52,414	41,035	55,400	6. Employer Payroll Tax Expense 5090	47,600			6
7	1,444	1,753	4,500	7. Training Classes - Office & Board 5060,5062	4,500			7
8	4,944	5,649	6,000	8. Mileage & Meal Reimb.-Office & Board 5063,5064	6,000			8
9	681	2,499	2,500	9 Lodging - Office & Board 5065,5066	3,800			9
10	453,122	452,925	528,410	10. Total Personnel Services	524,790	0	0	10
	4	4	4	Total Full-Time Equivalent (FTE)	4	4	4	
11				11. MATERIALS & SERVICES:				11
12	42,126	45,944	55,000	12. Professional Services 5200,5201,5202,5203,5204	61,900			12
13	17,102	18,428	20,000	13. Insurance & Bonds 5240	22,500			13
14	21,621	16,081	20,500	14. Office Supplies & Postage 5290,5291	20,500			14
15	2,295	1,860	0	15. Rent & Lease Expense 5260	0			15
16	18,236	18,118	19,000	16. Phone & Office Equip. Repair/Repl. 5270,5271,5272	21,500			16
17	3,593	4,858	5,000	17. Printing, Copying & Advertising 5280	5,000			17
18	7,980	13,885	16,500	18. Miscellaneous Expense 5360,5250,5361	4,500			18
19	7,290	6,259	10,000	19. Dues, Fees & Assessments 5310	25,000			19
20	0	539		20. Commissioner & Other Election 5120	1,000			20
21				21.				21
22	120,242	125,972	146,000	22. Total Materials & Services	161,900	0	0	22
23				23. CAPITAL OUTLAY:				23
24	1,436	0	1,300	24. Office Furniture 5400	1,000			24
25	5,488	0	4,700	25. Office Equipment/Computer Hardware 5410	4,700			25
26	8,337	452	2,000	26. Computer Software 5420	2,000			26
27				27.				27
28				28.				28
29				29.				29
30	15,261	452	8,000	30. Total Capital Outlay	7,700	0	0	30
31	588,625	579,349	682,410	31. TOTAL EXPENDITURES - THIS PAGE	694,390	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE				32
33	588,625	579,349	682,410	33. ACCUMULATIVE TOTAL EXPENSE	694,390	0	0	33

DETAILED REQUIREMENTS

GENERAL FUND
Fund

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			OPERATIONS & SERVICES	Budget for Next Year			
	Actual		Adopted Budget This Year 2015-16		2016-17			
	Second Preceding Year 2013-14	First Preceding Year 2014-15			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1				1. PERSONNEL SERVICES:				1
2				2.				2
3	184,698	192,316	218,370	3. Salaries - Field Personnel 5510,5511,5512	234,000			3
4	13,729	14,854	20,800	4. Overtime / On Call - Field 5590,5591	16,000			4
5	132	1,282	3,500	5. Mileage & Meal Reimbursement - Field 5621	3,500			5
6	8,265	10,736	15,000	6. Training Classes & Lodging - Field/CDL/Safety 5061,506	15,000			6
7	1,200	4,562	10,000	7. Performance Award 5599	10,000			7
8	208,024	223,750	267,670	8. Total Personnel Services	278,500	0	0	8
	5	5	5	Total Full-Time Equivalent (FTE)	5	5	5	
9				9. MATERIALS & SERVICES				9
10	2,848	981	2,150	10. Uniforms - Jacket & Hat / Clothing 5601,5602	2,150			10
11	324,673	387,905	388,000	11. Toledo Water Purchases 5690	480,000			11
12	123,309	99,161	123,000	12. SRWD System Maintenance 5630,5631,5632,5633,5634,5635	138,000			12
13	18,725	17,952	20,000	13. Utilities 5610	21,000			13
14	3,642	712	8,000	14. Operating Materials & Supplies 5600	8,000			14
15	31,719	3,103	30,000	15. Repl Meter/AMR System 5640; 5641	15,000			15
16	57	772	2,500	16. Equipment Rental 5620	2,000			16
17	20,000	16,291	20,000	17. Toledo System - General Maint./share 5670	20,000			17
18				18.				18
19	524,973	526,877	593,650	19. Total Materials & Services	686,150	0	0	19
20				20. CAPITAL OUTLAY				20
21	12,349	18,146	30,000	21. Supply & Distribution (components in ground) 5720	30,000			21
22	246	32	5,000	22. Automotive Equipment 5800	5,000			22
23	1,645	2,309	3,500	23. Shop Equipment 5810	3,000			23
24				24.				24
25	0	0	0	25. Heavy Equipment 5820	0			25
26	555	0	13,000	26. Building Upgrades 5750	12,000			26
27				27.				27
28				28.				28
29				29.				29
30	14,795	20,487	51,500	30. Total Capital Outlay	50,000	0	0	30
31	747,792	771,114	912,820	31. TOTAL EXPENDITURES - THIS PAGE	1,014,650	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE				32
33	1,336,416	1,350,463	1,595,230	33. ACCUMULATIVE TOTAL EXPENSE	1,709,040	0	0	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 2015-16		2016-17			
	Second Preceding Year 2013-14	First Preceding Year 2014-15			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	50,000	54,000	82,170	4. Capital Project Fund (pg. 9) 03-4160	100,000			4
5	7,400	7,400	7,400	5. R.D. Requirement Reserve Fund (pg. 10) 05	7,430			5
6	74,400	70,400	74,230	6. Revenue Bond Payment Fund (pg. 7) 04	74,330			6
7	50,000	50,000	50,000	7. Depreciation Reserve Fund (pg. 11) 11	50,000			7
8	0	0	0	8. SDC Reserve Fund (pg. 12) 13				8
9	100,000	100,000	100,000	9. Water Source Impr. Rsrv. Fund (pg. 13) 20	96,900			9
10		0	0	10. 2000 Loan (COPO) Payment (pg. 8) 06				10
11		0	0	11. Special Projects/ODOT Reserve (pg. 14) 12				11
12		0	0	12. SRWD Land & Building Reserve (pg. 15) 07				12
13				13.				13
14	0	0	100,000	14. Operating Contingencies 01-5950	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	281,800	281,800	413,800	30. TOTAL - THIS PAGE	428,660	0	0	30
31	1,336,416	1,350,463	1,595,230	31. TOTAL EXPENDITURES - prev. pgs.-GENERAL	1,709,040	0	0	31
32	397,441	494,577	0	32. UNAPPROPRIATED ENDING FUND BALANCE				32
33	2,015,657	2,126,840	2,009,030	33. General Fund TOTAL Expenses	2,137,700	0	0	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 2015-16		2016-17			
	Second Preceding Year 2013-14	First Preceding Year 2014-15			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RECAP				
				PERSONNEL SERVICES				
1	453,122	452,925	528,410	1. Administrative & Office	524,790	0	0	1
2	208,024	223,750	267,670	2. Operations & Services	278,500	0	0	2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	661,145	676,675	796,080	7. TOTAL PERSONNEL SERVICES	803,290	0	0	7
	9	9	9	<i>Total Full-Time Equivalent (FTE)</i>	9	9	9	
				MATERIALS & SERVICES				
8	120,242	125,972	146,000	8. Administrative & Office	161,900	0	0	8
9	524,973	526,877	593,650	9. Operations & Services	686,150	0	0	9
10				10.				10
11				11.				11
12				12.				12
13				13.				13
14	645,215	652,849	739,650	14. TOTAL MATERIALS & SERVICES	848,050	0	0	14
				CAPITAL OUTLAY				
15	15,261	452	8,000	15. Administrative & Office	7,700	0	0	15
16	14,795	20,487	51,500	16. Operations & Services	50,000	0	0	16
17				17.				17
18				18.				18
19				19.				19
20				20.				20
21	30,056	20,939	59,500	21. TOTAL CAPITAL OUTLAY	57,700	0	0	21
				TRANSFERRED TO OTHER FUNDS				
22	150,000	154,000	182,170	22. To WSIRF/2000 Loan Pmt Rsrv funds/CPF	196,900	0	0	22
23	50,000	50,000	50,000	23. To Depr./ Spec. Proj./Land&Bldg Rsrv funds	50,000	0	0	23
24	81,800	77,800	81,630	24. To R Bond Pmt/R.D. Req. Rsrv. funds	81,760	0	0	24
25			100,000	25. General Fund Operating Contingency	100,000	0	0	25
26	281,800	281,800	413,800	26. TOTAL TRANSFERS & CONTINGENCIES	428,660	0	0	26
27	1,618,216	1,632,263	2,009,030	27. TOTAL EXPENDITURES	2,137,700	0	0	27
28	397,441	494,577		28. UNAPPROPRIATED ENDING FUND BALANCE				28
29	2,015,657	2,126,840	2,009,030	29. TOTAL	2,137,700	0	0	29

**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			GENERAL OBLIGATION BONDS RESOURCES AND REQUIREMENTS	Budget for Next Year <u>2016-17</u>			
	Actual		Adopted Budget This Year <u>2015-16</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				Resources				
				Beginning Fund Balance:				
1				1. Cash on Hand (Cash Basis), or				1
2	294,383	331,517	245,000	2. Working Capital (Accrual Basis)	265,000			2
3	21,883	20,511	18,000	3. Previously Levied Taxes Estimated to be Received 02-4000	20,000			3
4	298	402	300	4. Earnings from Temporary Investments 4050	500			4
5		87	0	5. Miscellaneous Income 4060				5
6		0	64,676	6. Boundary Withdrawal Income 4012	12,198			6
7	316,564	352,517	327,976	7. Total Resources, Except Taxes to be Levied	297,698	0	0	7
8			512,855	8. Taxes Necessary to Balance *	546,368			8
9	618,061	528,592		9. Taxes Collected in Year Levied * 4010				9
10	934,625	881,109	840,831	10. TOTAL RESOURCES	844,066	0	0	10
				Requirements				
				<u>Bond Principal Payments</u>				
				Issue Date	Budgeted Payment Date			
11		0	0	11				11
12	50,000	65,000	70,000	12. 2013 6650	5/31/17	70,000		12
13	31,365	32,541	33,762	13. 2011 6630	10/20/16	35,028		13
14	230,000	240,000	235,000	14. 2012 6640	6/30/17	250,000		14
15	311,365	337,541	338,762	15. Total Principal		355,028	0	0
				<u>Bond Interest Payments</u>				
				Issue Date	Budgeted Payment Date			
16				16				16
17	83,362	65,102	63,803	17. 2013 6750	11/30/16, 5/31/17	62,403		17
18	59,849	58,673	57,452	18. 2011 6730	10/26/16	56,186		18
19	148,531	143,931	139,131	19. 2012 6740	12/1/16, 6/30/17	133,257		19
20	291,742	267,705	260,386	20. Total Interest		251,846	0	0
				<u>Unappropriated Balance for Following Year</u>				
				Issue Date	Payment Date			
21				21				21
22			91,220	22. 2011	10/27/17	91,220		22
23			66,630	23. 2012	12/1/17	65,500		23
24			31,200	24. 2013	12/30/17	30,500		24
25	331,517	275,863	189,050	25. Total Unappropriated Ending Fund Balance		187,220	0	0
26			52,633	26. Tax Credit Reserve 2013 (2007) G.O. Bond ** C.o.N.		49,972		26
27	934,625	881,109	840,831	27. TOTAL REQUIREMENTS		844,066	0	0

*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>2016-17</u>		
	Actual		Adopted Budget This Year <u>2015-16</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
	Second Preceding Year 2013-14	First Preceding Year 2014-15					
				Resources			
				Beginning Fund Balance:			
1				1. Cash on Hand (Cash Basis), or			1
2	4,050	4,160	100	2. Working Capital (Accrual Basis)	180		2
3	42	38	20	3. Earnings from Temporary Investments 04-4050,4049	22		3
4	74,400	70,400	74,230	4. Transfer from General Fund (pg. 4) 4160	74,330		4
5				5. Loan Proceeds 4015	.		5
6				6.			6
7	78,492	74,598	74,350	7. Total Resources, Except Taxes to be Levied	74,532	0	0
8			0	8. Taxes Necessary to Balance *			8
9	0	0		9. Taxes Collected in Year Levied *			9
10	78,492	74,598	74,350	10. TOTAL RESOURCES	74,532	0	0
				Requirements			
				<u>Bond Principal Payments</u>			
				Issue Date	Budgeted Payment Date		
11				11.			11
12				12. 2015	4/20/17		12
13	33,851	34,781	35,738	13. 2012 6620	6/01/17	36,721	13
14	33,851	34,781	35,738	14. Total Principal		36,721	0
				<u>Bond Interest Payments</u>			
				Issue Date	Budgeted Payment Date		
15				15. 2015	4/20/17		15
16	40,481	39,551	38,612	16. 2012 6720	6/01/16	37,811	16
17	0			17. Miscellaneous 5729,5732			17
18	40,481	39,551	38,612	18. Total Interest		37,811	0
				<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	4,160	266	0	23. Total Unappropriated Ending Fund Balance		0	0
24	78,492	74,598	74,350	24. TOTAL REQUIREMENTS	74,532	0	0

*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

2000 Loan Agreement Payment & Reserve
FUND

SEAL ROCK WATER DISTRICT
(Name of Municipal Corporation)

	Historical Data			RESOURCES AND REQUIREMENTS	Budget for Next Year <u>2016-17</u>			
	Actual		Adopted Budget This Year <u>2015-16</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				Resources				
				Beginning Fund Balance:				
1				1. Cash on Hand (Cash Basis), or				1
2	87	0	0	2. Working Capital (Accrual Basis)				2
3			0	3. Earnings from Temporary Investments 06-4050,4049				3
4				4. Transferred from General Fund (pg. 4) 4160				4
5				5. Loan Proceeds 4015				5
6				6.				6
7	87	0	0	7. Total Resources, Except Taxes to be Levied	0	0	0	7
8			0	8. Taxes Necessary to Balance *				8
9				9. Taxes Collected in Year Levied *				9
10	87	0	0	10. TOTAL RESOURCES	0	0	0	10
				Requirements				
				Bond Principal Payments				
				Issue Date	Budgeted Payment Date			
11				11.				11
12				12. 2000 C.O.P. Loan	07/01/12 6690			12
13	87	0	0	13. Transfer to G.F.				13
14	87	0	0	14. Total Principal	0	0	0	14
				Bond Interest Payments				
				Issue Date	Budgeted Payment Date			
15				15.				15
16				16. 2000 C.O.P. Loan	07/01/12 6790			16
17				17. Miscellaneous Annual Loan Admin.				17
18	0	0	0	18. Total Interest	0	0	0	18
				Unappropriated Balance for Following Year By				
				Issue Date	Payment Date			
19				19.				19
20				20. 2000 C.O.P. Loan	7/01/12			20
21				21. 2000 C.O.P. Loan	12/31/12			21
22				22.				22
23	0	0	0	23. Total Unappropriated Ending Fund Balance				23
24	87	0	0	24. TOTAL REQUIREMENTS	0	0	0	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 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				Beginning Fund Balance:				
1				1. *Cash on Hand (Cash Basis), or				1
2	1,639,859	696,616	265,000	2. *Working Capital (Accrual Basis)	1,780,000			2
3			75,000	3. City of Newport Contribution/Newport Intertie				3
4	1,704	683	1,000	4. Earning from Temporary Investments 03-4050	5,000			4
5				5. Transf. frm SDC (pg 12) Transf. frm WSIR (pg. 13)				5
6	50,000	54,000	82,170	6. Transf. frm GF (pg 4) 4160	100,000			6
7		247,369	6,500,045	7. Interim Loan / USDA Grant & Loan/G.O. Bond 4016,4019,4020	2,974,045			7
8		1,200,000	1,400,000	8. Loan Proceeds 4017	5,851,000			8
9	1,691,563	2,198,668	8,323,215	9. Total Resources, Except Taxes to be Levied	10,710,045	0	0	9
10			0	10. Taxes Necessary to Balance				10
11	0			11. Taxes Collected in Year Levied				11
12	1,691,563	2,198,668	8,323,215	12. TOTAL RESOURCES	10,710,045	0	0	12
				REQUIREMENTS				
13				13. CAPITAL OUTLAY - System Improvements:				13
14			205,000	14. Source Water Recon. Study/Preliminary 5713,5714,5716	510,000			14
15				15. Environmental Study				15
16	325,037	250,468	1,400,000	16. Engineering/Geotech/FEMA 5701,5710	670,000			16
17	23,607	88,743	600,000	17. Legal / Admin / Financing 5110,5702,5703,5711,5712,5715	150,000			17
18	584,186		4,200,045	18. Construction / Contractor 5704,5705	2,090,745			18
19		1,021,769	970,000	19. City of Toledo Capital Improvement 5790	50,000			19
20			35,000	20. Interim Loan Interest 5050	165,400			20
21				21. Interim Loan Payments 5060	5,451,000			21
22	62,117	754,063	275,000	22. Newport Intertie 5755				22
23			538,170	23. SRWD Major Improvements 5756, 5770	622,900			23
24				24. EMR/EMI Project 5706	1,000,000			24
25			100,000	25. Source Water Site				25
26				26. Transfers:				26
27				27. Water Source Enhancement (pg 13)				27
28	696,616	83,625	0	28. UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	28
29	1,691,563	2,198,668	8,323,215	29. TOTAL REQUIREMENTS	10,710,045	0	0	29

**RESERVE FUND
RESOURCES AND REQUIREMENTS**

SEAL ROCK WATER DISTRICT

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	Budget for Next Year			
	Actual		Adopted Budget This Year 2015-16		2016-17		Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15			Proposed By Budget Officer	Approved By Budget Committee		
				RESOURCES				
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	9,511	16,931	24,300	2. Working Capital * (accrual basis)	31,800			2
3				3. Previously levied taxes estimated to be received				3
4	20	30	50	4. Earning from temporary investments 05-4050	50			4
5	7,400	7,400	7,400	5. Transferred from other funds 4160	7,430			5
6				6. Reimbursement from GF				6
7				7.				7
8				8.				8
9	16,931	24,361	31,750	9. Total Resources, except taxes to be levied	39,280	0	0	9
10			0	10. Taxes necessary to balance				10
11				11. Taxes collected in year levied				11
12	16,931	24,361	31,750	12. TOTAL RESOURCES	39,280	0	0	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY:				14
15			31,750	15. Emergency System Repair/Bond Payment 5780	39,280			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	16,931	24,361	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	16,931	24,361	31,750	29. TOTAL REQUIREMENTS	39,280	0	0	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.

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>2015-16</u>		<u>2016-17</u>			
	Second Preceding Year 2013-14	First Preceding Year 2014-15			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	48,382	52,185	57,000	2. Working Capital * (accrual basis)	100,000			2
3				3. Previously levied taxes estimated to be received				3
4	40	109	100	4. Earning from temporary investments 11-4050	200			4
5	50,000	50,000	50,000	5. Transfer from General Fund (pg. 4) 4160	50,000			5
6				6.				6
7				7.				7
8				8.				8
9	98,422	102,294	107,100	9. Total Resources, except taxes to be levied	150,200	0	0	9
10			0	10. Taxes necessary to balance				10
11				11. Taxes collected in year levied				11
12	98,422	102,294	107,100	12. TOTAL RESOURCES	150,200	0	0	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY: (General Fund)				14
15			47,100	15. Replace Depreciated Item 5751	70,000			15
16	46,237		50,000	16. Vehicle Repl. Program/Heavy Equipment 5820	50,000			16
17			10,000	17. Office Equipment & Machines 5410	30,200			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	52,185	102,294	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	98,422	102,294	107,100	29. TOTAL REQUIREMENTS	150,200	0	0	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>2015-16</u>		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	372,672	45,233	60,900	2. Working Capital * (accrual basis)	129,000			2
3				3.				3
4	176	82	100	4. Earning from temporary investments 13-4050	100			4
5				5. Transfer from General Fund (pg. 4) 4160				5
6				6. Transfer from Capital Project Fund (pg. 9)				6
7	14,400	36,705	36,705	7. System Development Charges 4400	58,728			7
8				8.				8
9	387,248	82,020	97,705	9. Total Resources, except taxes to be levied	187,828	0	0	9
10			0	10. Taxes necessary to balance				10
11				11. Taxes collected in year levied				11
12	387,248	82,020	97,705	12. TOTAL RESOURCES	187,828	0	0	12
				REQUIREMENTS				
13				13. CAPITAL OUTLAY:				13
14				14.				14
15	22,928	2,429		15. SDC - plan update: SRWD 5726,5728,5780				15
16				16. Master Plan Study/Update 5710				16
17	319,087		97,705	17. SDC Improvements 5727	187,828			17
18				18.				18
19				19. TRANSFERS:				19
20				20. CPF Master Plan phase 3 (pg. 9) 5900				20
21				21. Water Source Enhancement (pg. 13) 5900				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28	45,233	79,591	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	387,248	82,020	97,705	29. TOTAL REQUIREMENTS	187,828	0	0	29

*Includes unappropriated Balance Budgeted Last Year

RESERVE FUND
RESOURCES AND REQUIREMENTS

SEAL ROCK WATER DISTRICT

WATER SOURCE & DISTRIBUTION SYSTEM IMPROVEMENT 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.

Fund

(Formerly Toledo Investment Plan 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.

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

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

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year		2016-17		
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2013-14	First Preceding Year 2014-15							
				Beginning Balance					
1				1. Cash on Hand * (cash basis), or					1
2	618,665	550,362	500,000	2. Working Capital * (accrual basis)	560,000				2
3				3. Previously levied taxes estimated to be received					3
4	1,018	738	500	4. Earning from temporary investments 20-4050	700				4
5	100,000	100,000	100,000	5. Transfer from General Fund (pg. 4) 4160	96,900				5
6				6. Trnsfr. from Spec Proj Fund (pg 14)					6
7				7. Trnsfr. from SIP (pg. 12) Trnsfr frm CPF (pg 9)					7
8				8. Grant Lincoln County - Desalination					8
9	719,683	651,100	600,500	9. Total Resources, except taxes to be levied	657,600	0	0	0	9
10			0	10. Taxes necessary to balance					10
11				11. Taxes collected in year levied					11
12	719,683	651,100	600,500	12. TOTAL RESOURCES	657,600	0	0	0	12
				REQUIREMENTS					
13				13.					13
14				14. CAPITAL OUTLAY:					14
15				15.					15
16				16. Desalination Feasibility Study					16
17	169,321	150,537	200,000	17. City of Toledo - Improvements 5670	200,000				17
18			200,000	18. Other Water Source Improvement 5672	200,000				18
19				19.					19
20			200,500	20. SRWD System Improvement 5674	257,600				20
21				21. Transfer to CPF (pg. 9)					21
22				22.					22
23				23.					23
24				24.					24
25				25.					25
26				26.					26
27				27.					27
28	550,362	500,563	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	0	28
29	719,683	651,100	600,500	29. TOTAL REQUIREMENTS	657,600	0	0	0	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 for the following specified purposes:

To provide funds necessary for expenses incurred due to ODOT or other entity projects within SRWD service area

\$20,000 annual / \$120,000 max.

SPECIAL PROJECTS/ODOT 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 2012-13 Last year for contributions 2010-11

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year			
	Actual		Adopted Budget This Year <u>2015-16</u>		2016-17			
	Second Preceding Year 2013-14	First Preceding Year 2014-15			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	83,826	3,784	0	2. Working Capital * (accrual basis)				2
3				3. Previously levied taxes estimated to be received				3
4	58	1	0	4. Earning from temporary investments 12-4050				4
5				5. Transfer from General Fund (pg. 4) 4160				5
6				6.				6
7				7.				7
8				8.				8
9	83,884	3,785	0	9. Total Resources, except taxes to be levied	0	0	0	9
10			0	10. Taxes necessary to balance				10
11	0	0		11. Taxes collected in year levied				11
12	83,884	3,785	0	12. TOTAL RESOURCES	0	0	0	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY:				14
15	0			15. System Investment - Special Projects 5750				15
16				16.				16
17				17.				17
18				18.				18
19				19. TRANSFERS:				19
20	80,100	3,785	0	20. Transfer to GF (pg. 1) 5900				20
21				21.				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28	3,784	0	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	83,884	3,785	0	29. TOTAL REQUIREMENTS	0	0	0	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 0403-02, on April 17, 2003 for the following specified purposes:

For obtaining District owned facilities for Field and Office business operations.

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

SRWD LAND & BUILDINGS 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 2015-16 Last year for contributions 2013-14

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS RESOURCES	Budget for Next Year			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				Beginning Balance				
1				1. Cash on Hand * (cash basis), or				1
2	264,365	262,457	134,000	2. Working Capital * (accrual basis)	134,500			2
3				3. Previously levied taxes estimated to be received				3
4	404	226	200	4. Earning from temporary investments 07-4050	200			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	264,769	262,683	134,200	9. Total Resources, except taxes to be levied	134,700	0	0	9
10			0	10. Taxes necessary to balance				10
11	0	0		11. Taxes collected in year levied				11
12	264,769	262,683	134,200	12. TOTAL RESOURCES	134,700	0	0	12
				REQUIREMENTS				
13				13.				13
14				14. CAPITAL OUTLAY:				14
15	2,311	128,032	134,200	15. Land / Office and Shop buildings 5730	134,700			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	262,457	134,651	0	28. RESERVE FOR FUTURE EXPENDITURE	0	0	0	28
29	264,769	262,683	134,200	29. TOTAL REQUIREMENTS	134,700	0	0	29

* Includes unappropriated Balance Budgeted Last Year

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.

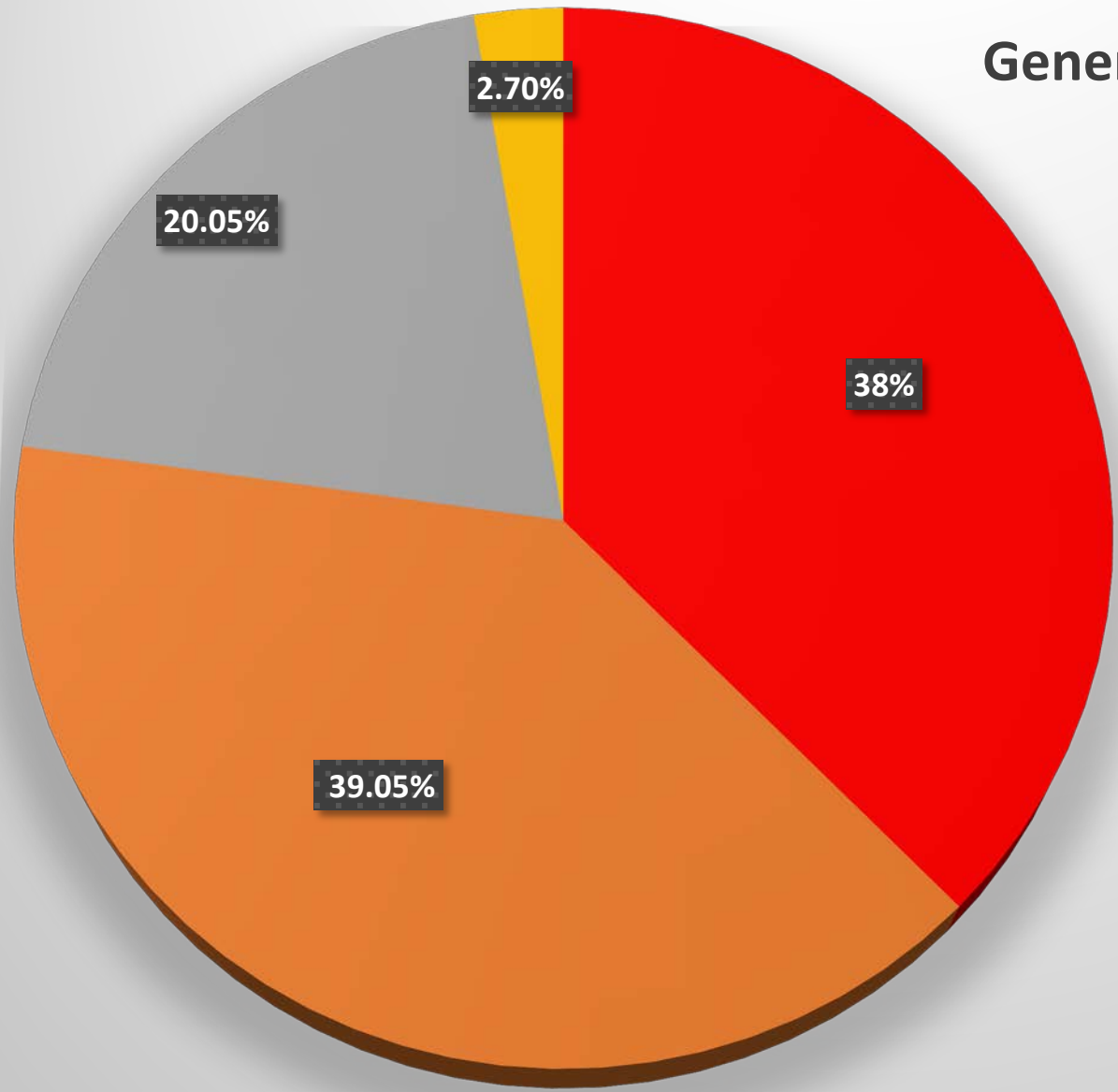
Only Tap Water Delivers



Presented in cooperation with

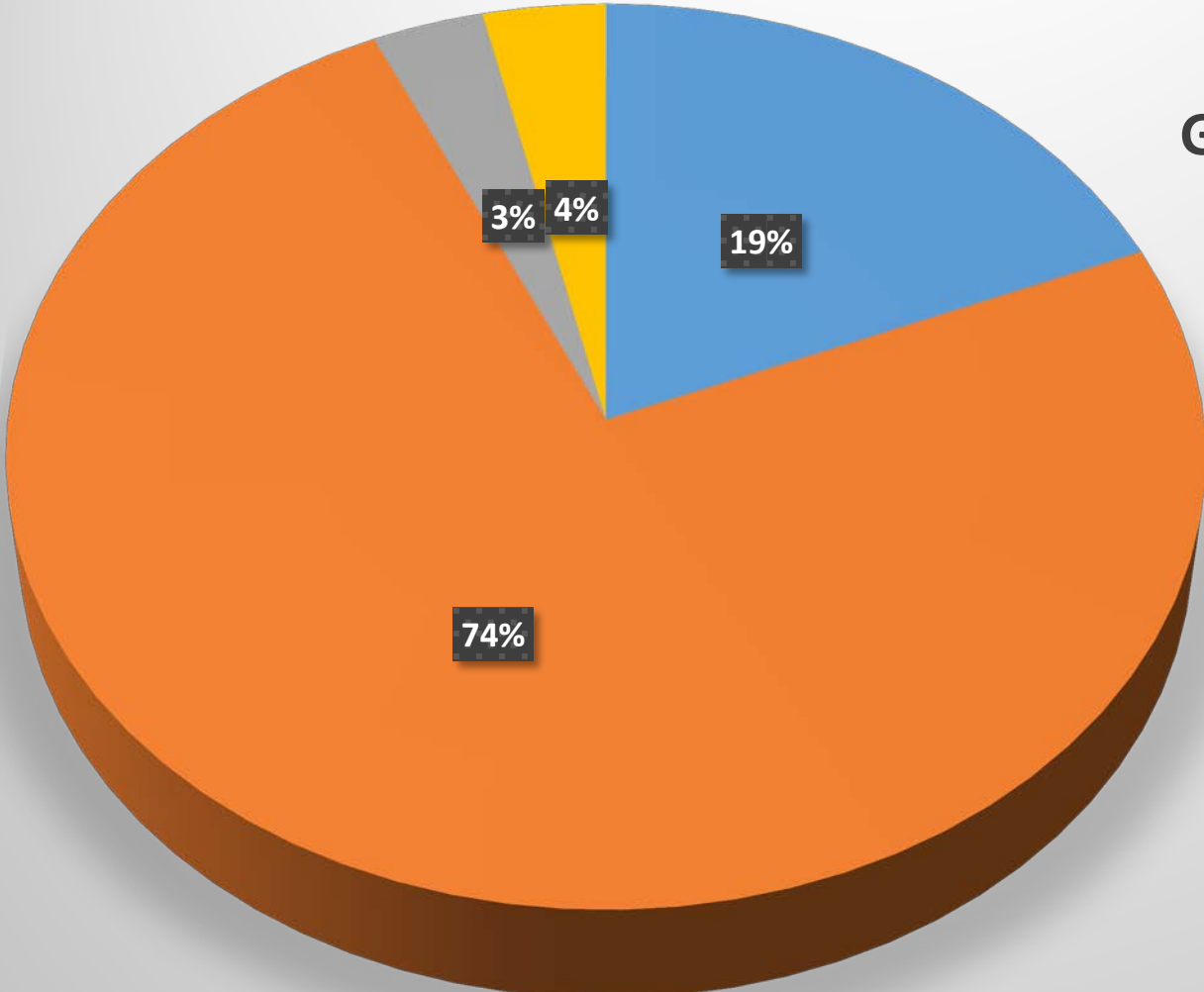
 American Water Works Association

General Fund Expenditures

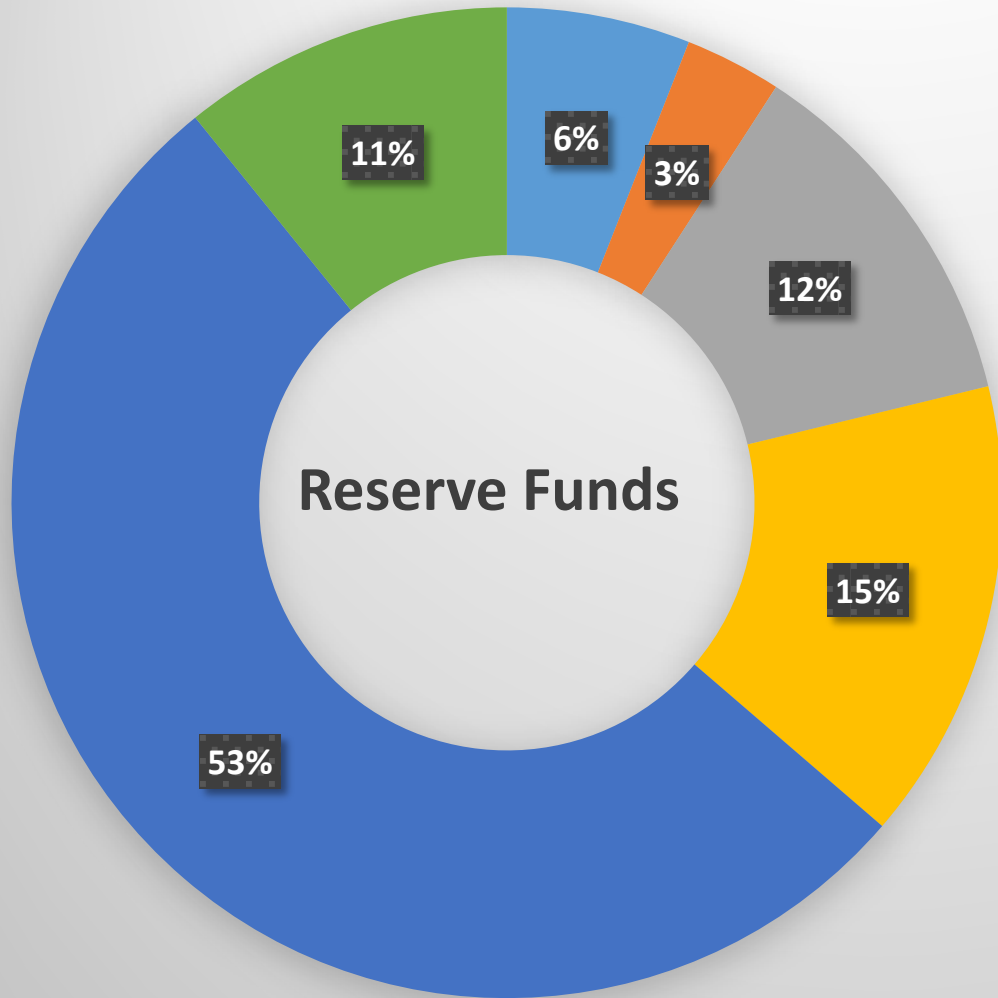


- Personnel Services \$803,290.00
 - Materials & Services \$848,050.00
 - Transfers Incl Contingency \$428,660.00
 - Capital Outlay \$57,700.00
- Total Expenditures \$2,137,700.00

General Fund Revenues

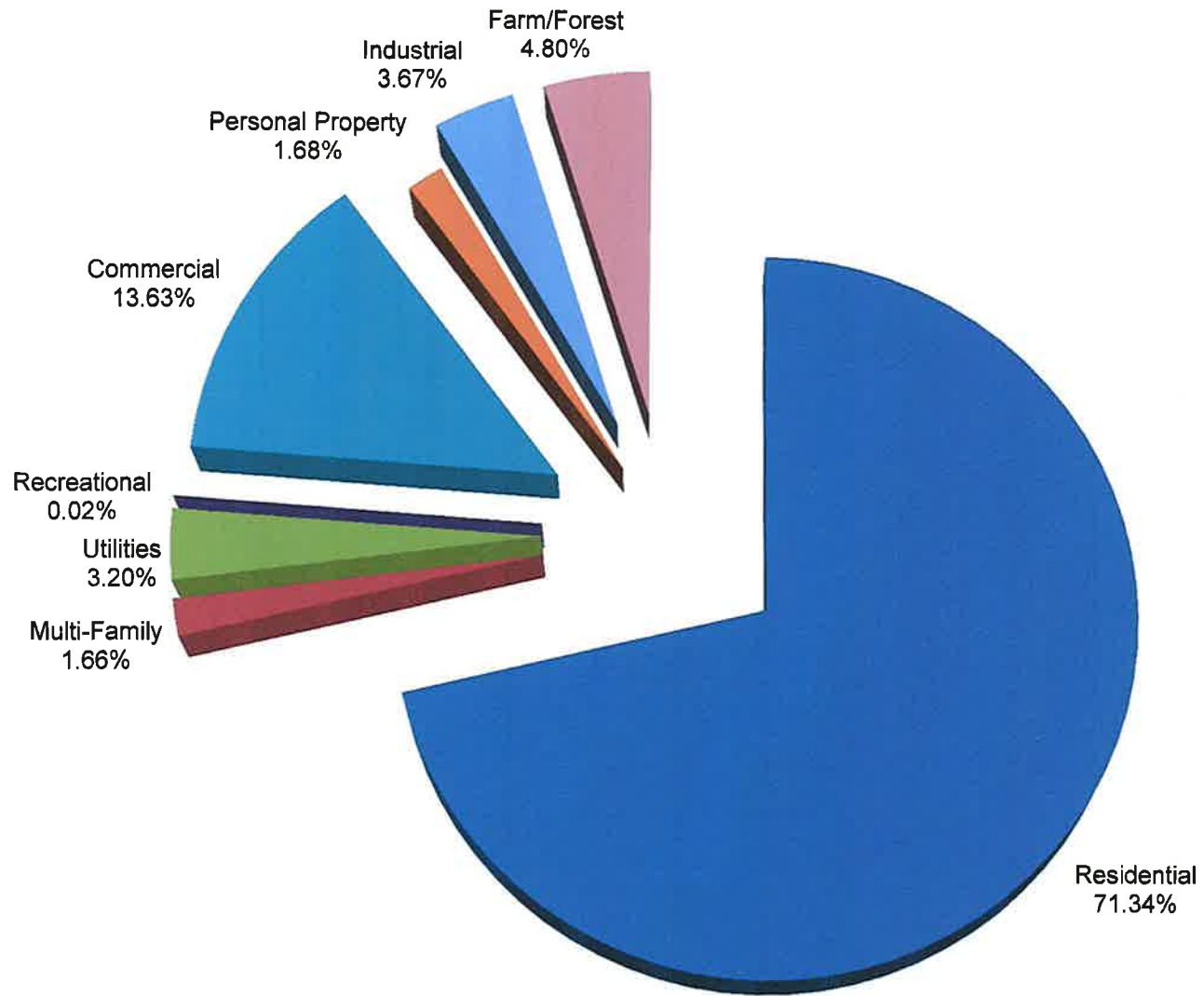


- Beginning Fund Balance \$400,000.00
- Water Sales \$1,591,400.00
- Taxes \$69,600,00
- Other \$76,700.00
- TOTAL REVENUE \$2,137,700.00

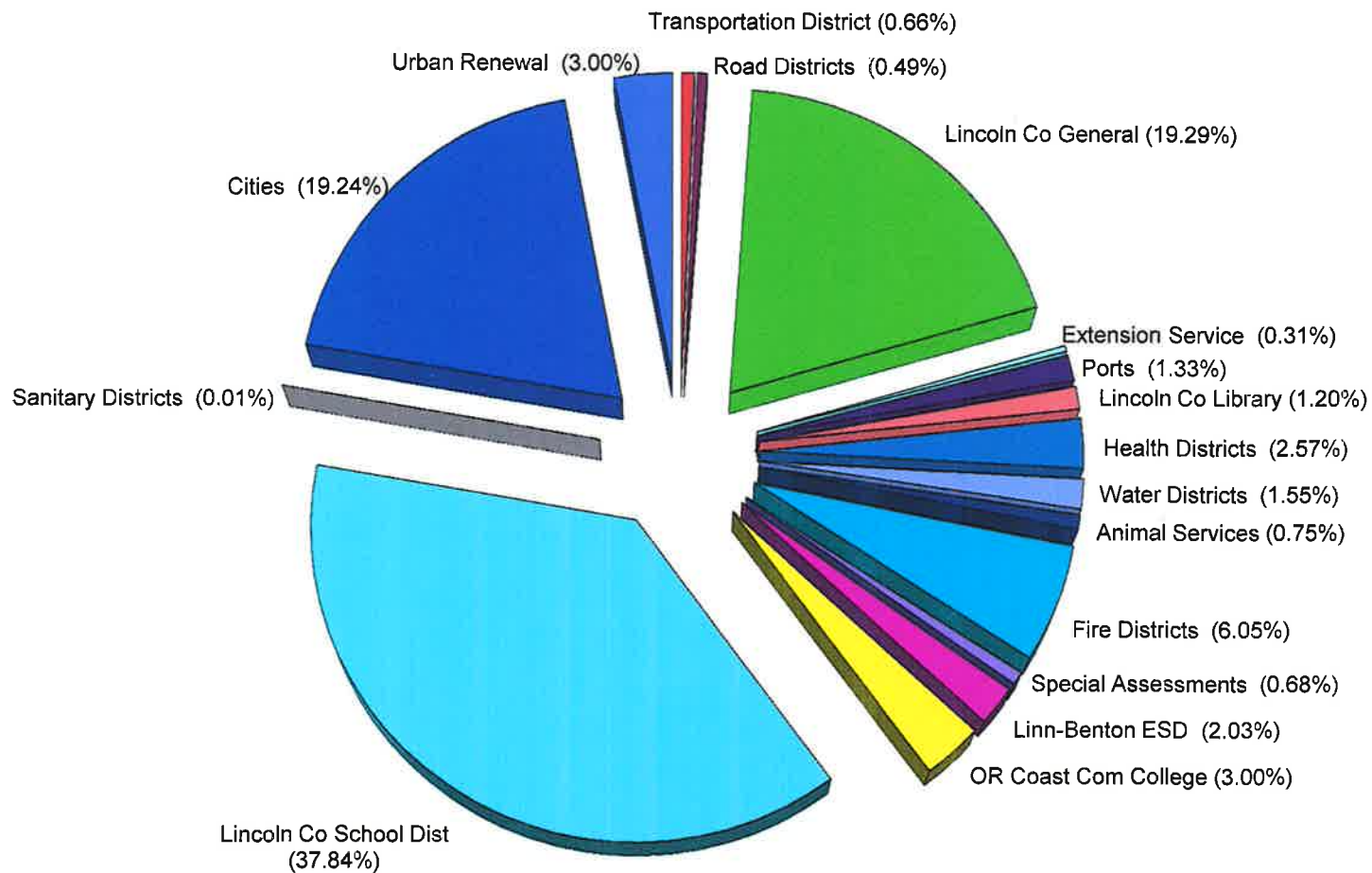


- Revenue Bond Reserves \$74,532.00
- RD Reserve Fund \$39,280.00
- Depreciation Fund \$150,200.00
- SDC Reserve Fund \$187,828.00
- Source Water and Dist Imp Fund \$657,600.00
- SRWD Building Reserve \$134,700.00

**WHO PAYS LINCOLN COUNTY PROPERTY TAXES
2015-2016**



LINCOLN COUNTY 2015-2016 YOUR TAX DOLLAR DISTRIBUTION



Potential Grant and Loan Sources to Fund Future Phases of Improvements:

Background Data for Funding

Funding for municipal water system capital improvements occurs with loans, grants, principal forgiveness, bonds, or a combination thereof. Parameters such as the local and State median household income (MHI), existing debt service, water use rates, low/moderate income level percentages, financial stability, and project need are used by funding agencies to evaluate the types and levels of funding assistance that can be received by a community.

According to the 2013 US Census, the MHI in Seal Rock is \$39,375 (2010 dollars). The State MHI is \$43,160 and the Seal Rock MHI is 91.23% of the State MHI. According to the Proposed 2010 Method of Distribution document for CDBG, Seal Rock has **43.9 %** low/moderate income persons.

The average residential water bill in Seal Rock is currently \$49.60 per month or \$595.20 annually (based on 3000 gallons use per month) which equals 1.512% of the local MHI. SRWD water rates are par with many similar communities faced with large capital improvement needs. Many funding sources require user rates to be high enough to meet a certain "threshold rate" or "affordability rate" which is expressed at a percentage of the local MHI. The calculation for the water user rate can incorporate, when applicable, fee-equivalents derived from other local funding sources that are or will be used to pay for the water system, including any special levy on taxable property within the system's territory.

Infrastructure Finance Authority (IFA)

Recent restructuring in the State has resulted in the creation of the Oregon Business Development Department (OBDD) Infrastructure Finance Authority (IFA) from what previously was the Oregon Economic and Community Development Department.

IFA administers resources aimed at community development activities primarily in the water and wastewater infrastructure areas. The funding programs through IFA include:

- Community Development Block Grants (CDBG)
- Safe Drinking Water Revolving Loan Fund (SDWRLF)
- Special Public Works Funds
- Water/Wastewater Financing

Block Grant assistance for the District is likely due to the existing water rate structure and the District's inability to meet the national objectives for low- and moderate income persons.

The SDWRLF generally must be used to address a health or compliance issue and could potentially provide a loan up to \$6 million per project. To receive a loan the project must be ranked high enough on the Project Priority List in the Intended Use Plan developed by the State. A Letter of interest (LOI) must be submitted before a project can be listed in the Intended Use Plan. The LOIs are accepted annually.

2015 LOI was due in March of 2015 so it is likely that the 2016 LOI will be due sometime in the summer or fall of 2016. Loan terms are typically 3-4% interest for 20 years however "Disadvantaged Communities" can potentially qualify for 1% loans for 30 years as well as some principal forgiveness. To be considered a Disadvantaged Community the average residential water rate must be at or above the threshold rate (\$42.55 per month in Seal Rock) and the area MHI must be less than the State MHI.

All recipients of SDWRLF awards need to complete an environmental review on every project in accordance with the State Environmental Review Process (SERP), pursuant to federal and state environmental laws. The Environmental Report typically required can cost \$25,000 to \$75,000 depending on the specific biological, cultural, waterway, and wetland issues that arise.

Loans and grants are available through the Special Public Works Funds and Water/Wastewater Financing depending on need and financial reviews by IFA.

Rural Development / Rural Utilities Service (RUS)

The United States Department of Agriculture (USDA) Rural Utilities Service (RUS) has a Water Programs Division which provides loans, guaranteed loans, and grants for water infrastructure projects for communities of less than 10,000 persons. Grants are only available when necessary to keep user costs to reasonable levels (very similar to IFA threshold rate). Loans can be made with repayment periods up to 30 years. Interest rates vary but often are around 4% for design/construction loans. Environmental reporting is required similar to that for the SDWRLF but with slightly different criteria.

U.S. Department of the Interior/Bureau of Reclamation

The Bureau of Reclamations WaterSmart Grant program provides grant funding to qualified communities for project that conserve water and energy, and provide beneficial impact to the environment. This grant program, like most grant programs allocates funding through a competitive process on an annual bases.

Oregon Water and Wastewater Funding Sources

Compiled by the EFCN, March 2015

Organization	Program (key words)	Purpose or Use of Funds	Application Dates	Website	Contact
Oregon Health Authority	Safe Drinking Water Revolving Loan Fund (water)	Privately- and publicly-owned community water systems and non-profit transient and non-transient non-community water systems are eligible to apply. Eligible projects include planning, designing, constructing, and/or upgrading drinking water facilities.	To begin the application process, you can complete and submit a Letter of Interest application at any time.	https://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/SRF/Pages/index.aspx http://www.orinfrastructure.org/Infrastructure-Programs/SDW/ http://www.rcac.org/assets/Oregon/RCAC%20Region%20Guide%20April%202014_FINAL.pdf	Adam DeSemple 971-673-0422 adam.desemple@state.or.us
Infrastructure Finance Authority (IFA)	Community Development Block Grant Program (water, sewer)	Non-metropolitan cities and counties in rural Oregon are eligible to apply. All projects must meet one of three national objectives: (1) The proposed activities must benefit low and moderate-income individuals. (2) The activities must aid in the prevention or elimination of slums or blight. (3) There must be an urgent need that poses a serious and immediate threat to the health or welfare of the community.	To begin the application process, contact the IFA to develop the project concept and determine if the project meets funding criteria. Applications are accepted throughout the year, and awards are granted quarterly.	http://www.orinfrastructure.org/Infrastructure-Programs/CDBG/	Becky Baxter becky.baxter@oregon.gov 503-986-0104 Contact your regional coordinator: http://www.oregon4biz.com/directory.php?d=5#reg
	Special Public Works Fund (water, sewer)	Eligible applicants include: cities; counties; county service districts; tribal councils; ports; and airport districts. Examples of eligible projects include: solid waste disposal sites; storm drainage systems; wastewater systems; water systems; etc.	Contact your IFA regional coordinator to begin the application process; project proposals are accepted throughout the year.	http://www.orinfrastructure.org/Infrastructure-Programs/SPWF/	Mike Solt mike.solt@oregon.gov 541-388-9238 Contact your regional coordinator: http://www.oregon4biz.com/directory.php?d=5#reg
	Water/Wastewater Financing Program (water, sewer)	Public entities such as cities, counties, tribal councils, etc. are eligible to apply. Eligible projects include improvement or expansion of drinking water, waste water, or stormwater systems.		http://www.orinfrastructure.org/Infrastructure-Programs/WW/	Contact your regional coordinator: http://www.oregon4biz.com/directory.php?d=5#reg
	Safe Drinking Water Revolving Loan Fund (SDWRLF) and Drinking Water Source Protection Fund (DWSPF) (water)	Eligible applicants are nonprofit, private, or municipal owners of water systems servicing at least 25 year-round residents or systems that have 15 or more connections. Eligible projects include the engineering, design, upgrade, construction, or installation of system improvements and equipment for water intake, filtration, treatment, storage, or transmission.	To begin the application process, you must submit a letter of interest. An owner of a water system must submit a Letter of Interest. For the SDWRLF, Letters of Interest can be submitted at any time. The projects are rated and ranked for inclusion in the Intended Use Plan (IUP). For the DWSPF, Letters of Interest may be submitted annually, generally beginning in January. The received letters of interest are rated and ranked by the Oregon Health Authority (OHA) each quarter.	http://www.orinfrastructure.org/dev/www/IFA/Infrastructure-Programs/SDW/	Jeremy McVeety jeremy.mcveety@biz.state.or.us 503-507-7107 Contact your regional coordinator: http://www.oregon4biz.com/directory.php?d=5#reg
Oregon Department of Environmental Quality	Clean Water State Revolving Fund (water, sewer)	Public agencies such as tribal nations, cities, counties, soil and water conservation districts, etc. are eligible to apply. Eligible projects include planning, design, and construction for water pollution control activities and facilities.	Applications are accepted on a rolling basis.	http://www.deq.state.or.us/wq/loans/loans.htm	Angela Parker 503-229-6270 parker.angela@deq.state.or.us
Department of Agriculture, Rural Development	Water and Waste Disposal Guaranteed Loans (water, sewer)	This loan guarantee program is for the construction or improvement of water and waste disposal projects serving financially needy communities with a population not in excess of 10,000 in rural areas.	Applications are accepted on a rolling basis.	http://www.rurdev.usda.gov/UWP-dispguaranteedloan.htm	Sam Goldstein 503-414-3362 sam.goldstein@or.usda.gov
	Water and Waste Disposal Direct Loans and Grants (water, sewer)	The Direct Loans and Grants are available to public bodies, and non-profits to develop water and waste disposal systems in rural areas and towns with a population not in excess of 10,000.	Applications are accepted on a rolling basis.	http://www.rurdev.usda.gov/UWP-dispdirectloansgrants.htm	
Rural Community Assistance Corporation (RCAC)	Environmental Infrastructure Loans (water, sewer)	Provides the early funds small rural communities need to determine feasibility and pay pre-development costs prior to receiving state and federal program funding. Public agencies, tribal governments, and nonprofit organizations serving communities of 10,000 people or less are eligible to apply. Projects include water, wastewater, solid waste, and stormwater facilities that primarily serve low-income rural communities.	Applications are accepted on a rolling basis.	http://www.rcac.org/pages/126	Michael Carroll 916-447-9832 ext. 1003 mcarroll@rcac.org Chuck Miller Idaho, Montana, Oregon, Washington, Wyoming 360-253-7683 360-558-2307 (Cell) cmiller@rcac.org
	Community Facility Loan (water, sewer)	The Community Facility loan helps create and improve essential community facilities in the rural West. This program offers short-term loans to meet early acquisition and pre-development needs, interim construction costs and long-term permanent financing. Applicable facilities include public and nonprofit office buildings, treatment centers, emergency and transitional housing, assisted living, human services, public safety, child care, education and cultural facilities. Many other types of projects are eligible.	Applications are accepted on a rolling basis.	http://www.rcac.org/doc.aspx?128	501 S. Cherry Street, Suite 400 Denver, Colorado 80246