

FORM LB-1

NOTICE OF BUDGET HEARING

A public meeting of the City of Pendleton City Council will be held on June 3, 2014 at 7 pm at City Council Chambers, City Hall, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2014 as approved by the City of Pendleton Budget Committee. A public hearing before the City Council on the proposed uses of State Revenue Sharing funds in relation to the entire budget will be held. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at City Hall, 500 SW Dorion Ave., Pendleton between the hours of 8 a.m. and 5 p.m. or on the City website, www.pendleton.or.us under the Finance Department tab. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as used the preceding year.

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| FINANCIAL SUMMARY - RESOURCES | | | |
|---|--------------------------|-------------------------------------|--------------------------------------|
| TOTAL OF ALL FUNDS | Actual Amount 2012-13 | Adopted Budget This Year 2013-14 | Approved Budget Next Year 2014-15 |
| Beginning Fund Balance/Net Working Capital | 10,328,069 | 12,881,403 | 13,547,880 |
| Fees, Licenses, Permits, Fines, Assessments & Other Service Charges | 14,424,430 | 14,053,090 | 14,392,260 |
| Federal, State and All Other Grants, Gifts, Allocations and Donations | 3,802,217 | 6,918,325 | 4,663,035 |
| Revenue from Bonds and Other Debt | 0 | 4,608,440 | 4,331,175 |
| Interfund Transfers / Internal Service Reimbursements | 4,889,221 | 5,694,370 | 5,885,128 |
| All Other Resources Except Property Taxes | 874,669 | 1,422,490 | 1,205,475 |
| Property Taxes Estimated to be Received | 5,979,182 | 6,278,740 | 6,182,040 |
| Total Resources | 40,297,788 | 51,856,858 | 50,206,993 |

| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION | | | |
|---|-------------------|-------------------|-------------------|
| Personnel Services | 12,063,093 | 12,688,310 | 12,755,250 |
| Materials and Services | 10,209,746 | 12,188,895 | 10,899,915 |
| Capital Outlay | 2,925,482 | 8,758,500 | 8,421,940 |
| Debt Service | 2,934,371 | 6,214,337 | 5,553,174 |
| Interfund Transfers | 1,551,037 | 1,923,210 | 1,880,883 |
| Contingencies | 0 | 2,880,388 | 3,769,551 |
| Special Payments | 117,283 | 240,000 | 240,000 |
| Unappropriated Ending Balance and Reserved for Future Expenditure | 0 | 6,963,218 | 6,686,280 |
| Total Requirements | 29,801,012 | 51,856,858 | 50,206,993 |

| FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT OR PROGRAM * | | | |
|--|-----------|-----------|-----------|
| Name of Organizational Unit or Program FTE for that unit or program | | | |
| General Fund - Municipal Court | 338,732 | 329,200 | 356,450 |
| FTE | 2 1/4 | 2 1/4 | 2 1/4 |
| General Fund - Police | 4,081,395 | 4,181,860 | 4,080,225 |
| FTE | 27 1/3 | 27 1/4 | 27 1/4 |
| General Fund - Fire | 3,471,786 | 3,690,050 | 3,639,230 |
| FTE | 22 7/10 | 22 7/10 | 22 7/10 |
| General Fund - Parks | 1,123,211 | 1,097,650 | 1,020,400 |
| FTE | 13 | 13 | 11 3/4 |
| General Fund - Recreation | 437,933 | 467,650 | 504,450 |
| FTE | 5 1/4 | 5 1/4 | 5 1/4 |
| General Fund - Aquatic Center | 436,242 | 448,400 | 469,350 |
| FTE | 8 1/4 | 8 1/4 | 8 1/4 |
| General Fund - Cemetery | 0 | 269,550 | 258,550 |
| FTE | 0 | 2 1/3 | 2 1/3 |
| General Fund - Planning | 284,695 | 260,800 | 267,200 |
| FTE | 2 1/3 | 2 13/30 | 2 13/30 |
| General Fund - Building | 250,102 | 257,800 | 263,000 |
| FTE | 2 37/75 | 2 37/75 | 2 5/12 |
| General Fund- Economic Development | 92,953 | 67,250 | 77,700 |
| FTE | 0 | 0 | 0 |
| General Fund- Non-Departmental | 1,098,099 | 1,085,955 | 1,370,880 |
| FTE | 0 | 0 | 0 |
| General Fund - Contingency | 0 | 2,101,160 | 3,004,765 |
| FTE | 0 | 0 | 0 |
| General Fund - Reserve for Debt | 0 | 40,000 | 35,000 |
| FTE | 0 | 0 | 0 |
| Street Fund | 1,131,685 | 2,055,000 | 2,093,800 |
| FTE | 5 5/7 | 5 | 5 |
| City Fuel Fund | 532,530 | 0 | 0 |
| FTE | 0 | 0 | 0 |
| Bike Fund | 8,000 | 15,655 | 18,050 |
| FTE | 0 | 0 | 0 |
| Library Fund | 503,936 | 602,425 | 577,320 |
| FTE | 8 3/4 | 8 29/59 | 8 2/21 |
| Library Special Trust Fund | 17,763 | 676,305 | 84,270 |

| | | | |
|--|-----------|-----------|-----------|
| FTE | 0 | 0 | 0 |
| City Transportation Fund | 251,049 | 414,000 | 404,750 |
| FTE | 0 | 0 | 0 |
| Community Development Block Grant Fund | 4,094 | 743,850 | 2,600 |
| FTE | 0 | 0 | 0 |
| Community Development Fund | 99,698 | 1,013,500 | 642,400 |
| FTE | 0 | 0 | 0 |
| Sidewalk Repair Loan Fund | 2,296 | 102,500 | 77,500 |
| FTE | 0 | 0 | 0 |
| Pendleton Convention Center Fund | 720,215 | 860,300 | 846,250 |
| FTE | 5 1/16 | 4 9/16 | 4 9/16 |
| PCC TPAC Fund | 65,159 | 750,000 | 752,500 |
| FTE | 0 | 0 | 0 |
| Police Interagency Special Revolving Fund | 165,046 | 182,700 | 170,400 |
| FTE | 0 | 0 | 0 |
| System Development Fees Fund | 1,137 | 999,800 | 959,550 |
| FTE | 0 | 0 | 0 |
| Parks & Cemetery Capital Equipment Reserve Fund | 9,090 | 58,400 | 25,550 |
| FTE | 0 | 0 | 0 |
| Public Safety Capital Reserve Fund | 100,721 | 174,100 | 238,300 |
| FTE | 0 | 0 | 0 |
| Parks Trust Fund | 2,553 | 84,700 | 120,500 |
| FTE | 0 | 0 | 0 |
| City/County Public Safety Fund | 22,360 | 255,100 | 70,100 |
| FTE | 0 | 0 | 0 |
| Horne Special Trust Cemetery Fund | 30 | 20,275 | 20,275 |
| FTE | 0 | 0 | 0 |
| Hospital Road Fund | 372,259 | 550,000 | 0 |
| FTE | 0 | 0 | 0 |
| General Obligation Debt Service Fund | 502,125 | 511,223 | 236,540 |
| FTE | 0 | 0 | 0 |
| Local Improvement District Construction Fund | 127,315 | 1,291,200 | 592,725 |
| FTE | 0 | 0 | 0 |
| HB 2001 Road Projects Construction Fund | 23,262 | 1,217,075 | 888,580 |
| FTE | 0 | 0 | 0 |
| Library Permanent Trust Fund | 826 | 142,600 | 6,120 |
| FTE | 0 | 0 | 0 |
| Cemetery & Mausoleum Perpetual Care Trust Fund | 25,000 | 764,225 | 748,750 |
| FTE | 0 | 0 | 0 |
| Water Fund | 3,265,718 | 3,920,900 | 5,336,550 |
| FTE | 7 1/5 | 7 1/4 | 6 1/4 |
| Water Capital Reserve Fund | 0 | 0 | 250,500 |
| FTE | 0 | 0 | 0 |
| Sewer Fund | 3,841,357 | 4,974,825 | 5,003,300 |
| FTE | 6 9/10 | 7 1/3 | 8 1/3 |
| Sewer Capital Reserve Fund | 355,776 | 4,240,450 | 3,714,200 |
| FTE | 0 | 0 | 0 |
| Wastewater Treatment Plant Capital Projects Fund | 620,600 | 0 | 141,500 |
| FTE | 0 | 0 | 0 |
| Wastewater Treatment Plant Debt Service Fund | 744,598 | 740,775 | 744,573 |
| FTE | 0 | 0 | 0 |
| Wastewater Treatment Plant Bond Reserve Fund | 0 | 744,700 | 744,700 |
| FTE | 0 | 0 | 0 |
| Wastewater Treatment Plant Rate Stabilization Fund | 0 | 450,000 | 450,000 |
| FTE | 0 | 0 | 0 |
| Airport Fund | 686,235 | 4,120,850 | 3,750,200 |
| FTE | 3 | 3 1/2 | 3 1/2 |
| Cemetery Fund | 261,323 | 0 | 0 |
| FTE | 2 13/20 | 0 | 0 |
| PW Administration & Fleet Fund | 1,032,919 | 1,445,000 | 1,637,000 |
| FTE | 10 1/4 | 10 3/4 | 12 3/4 |
| Central Service - City Manager | 341,971 | 370,550 | 402,750 |
| FTE | 3 | 3 2/5 | 3 2/5 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Central Service - City Council | 50,375 | 55,300 | 52,950 |
| Not represented as FTE's | 9 | 9 | 9 |
| Central Service - PDC Administration | 0 | 0 | 35,000 |
| FTE | 0 | 0 | 1/2 |
| Central Service - Insurance | 246,956 | 294,500 | 279,500 |
| FTE | 0 | 0 | 0 |
| Central Service - Legal | 239,829 | 287,750 | 305,800 |
| FTE | 2 | 2 | 2 |
| Central Service - Finance | 532,175 | 788,650 | 793,900 |
| FTE | 6 1/7 | 6 1/5 | 6 1/5 |
| Central Service - Engineering | 353,782 | 422,490 | 446,300 |
| FTE | 4 1/4 | 4 1/4 | 4 1/4 |
| Central Service - Facilities | 534,977 | 562,600 | 523,900 |
| FTE | 6 3/5 | 6 3/5 | 6 |
| Central Service - Information Technology | 152,657 | 188,500 | 184,500 |
| FTE | 0 | 0 | 0 |
| Central Service Contingency | 0 | 158,960 | 172,580 |
| FTE | 0 | 0 | 0 |
| Central Service - Interfund Transfers | 69,520 | 67,800 | 73,260 |
| FTE | 0 | 0 | 0 |
| Pendleton Foundation Trust | 117,283 | 240,000 | 240,000 |
| FTE | 0 | 0 | 0 |
| Eastern Oregon Drug Task Force Fund | 49,664 | 0 | 0 |
| FTE | 0 | 0 | 0 |
| FTE | 0 | | |
| Total Requirements | 29,801,012 | 51,856,858 | 50,206,993 |
| Total FTE | 155 11/29 | 164 5/9 | 164 34/39 |

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

This year's budget sustains service levels, addresses a large portion of our previously deferred maintenance needs, and significantly increases our general fund reserves, a source of concern these past years. The City Council's primary goal is to increase jobs and income. A housing project that promises 72 new homes is underway. Many of our largest employers have expanded. The Federal Aviation Administration's designation of the Pan Pacific UAS Test Range Complex as one of six nationally authorized test range sites, of which the Eastern Oregon Regional Airport in Pendleton is a key partner, promises to bring many new high paying jobs and revenue to the Airport. The City is also investing in technology to improve our efficiency. We will be placing a ballot measure asking for support to make public improvements throughout the City as well as address much needed maintenance. The City will have the last General Obligation Bond paid off by January 2016. These bonds are paid back with tax dollars. Additional debt is held as PERS limited tax pension bonds. The Sewer Fund also holds debt for the wastewater treatment capital improvements paid for through a revenue bond and loans from the State of Oregon.

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| | Rate or Amount Imposed | Rate or Amount Imposed | Rate or Amount Approved |
|---|------------------------|------------------------|-------------------------|
| Permanent Rate Levy (rate limit 6.5771 per \$1,000) | 6.5771 | 6.5771 | 6.5771 |
| Local Option Levy | 0 | 0 | 0 |
| Levy For General Obligation Bonds | 483,655 | 486,000 | 227,340 |

STATEMENT OF INDEBTEDNESS

| LONG TERM DEBT | Estimated Debt Outstanding on July 1, 2014 | Estimated Debt Authorized, But Not Incurred on July 1, 2014 |
|--------------------------|--|---|
| General Obligation Bonds | \$445,000 | \$0 |
| Other Bonds | \$14,090,000 | \$600,000 |
| Other Borrowings | \$11,197,276 | \$0 |
| Total | \$25,732,276 | \$600,000 |

* If more space is needed to complete any section of this form, insert lines (rows) on this sheet or add sheets. You may delete unused lines.