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# CITIZEN'S BUDGET

FISCAL YEAR 2021-2022



# introduction

## Mayor and City Council

### Mayor



Brian Dalton

### Council Members



Michael Schilling  
Council President



Larry Briggs



Kirsten Collins



Ken Woods Jr.



Bill Hahn



Kim Fitzgerald



Paul Trahan



Rodney Dunham



Terry Crawford

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# introduction

## **Budget Committee Citizen Members**

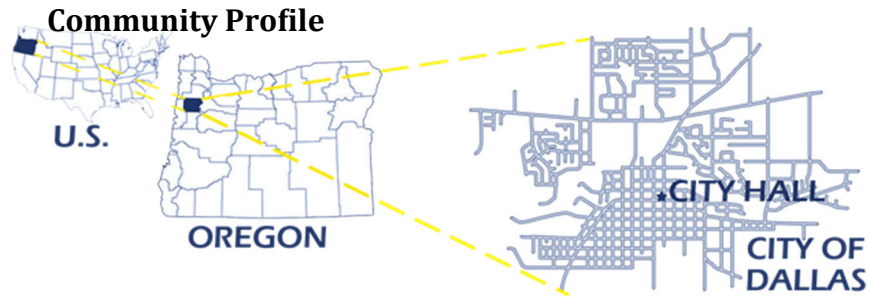
Nancy Adams  
Teresa Freborg  
Matthew Ceiplis  
Melanie Fisher  
Helen McCann  
Jim Williams  
Lora Monroe  
David Shein  
Vacant

## **Executive Management Team**

|                                     |                  |
|-------------------------------------|------------------|
| City Manager                        | Brian Latta      |
| Assistant City Manager              | Emily Gagner     |
| Economic & Community<br>Development | Charlie Mitchell |
| Public Works                        | Gary Marks       |
| Financial Services                  | Cecilia Ward     |
| Fire and EMS                        | Todd Brumfield   |
| Legal                               | Lane Shetterly   |
| Library                             | Mark Johnson     |
| Police                              | Tom Simpson      |

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# introduction



| <b>City Statistics</b>                         |                                  |
|--|----------------------------------|
| Incorporated                                   | 1874                             |
| Area   | 4.856 square miles (3,107 acres) |
| Population (July, 2020)                        | 16,555                           |
| Females  | 53.9%                            |
| Males  | 46.1%                            |
| Median Age                                     | 40.5                             |
| Under 15 years                                 | 17.1%                            |
| 15-44 years                                    | 37.9%                            |
| 45-64 years                                    | 23.9%                            |
| 65 years and over                              | 21.2%                            |
| Residents graduated from high school or higher | 92.8%                            |
| Residents with Bachelor's degree or higher     | 24%                              |
| Average Household Size                         | 2.58 persons                     |
| Median Household Income                        | \$56,429                         |
| Resident-owned homes                           | 67%                              |
| Median home value of owner-occupied homes      | \$222,700                        |
| <b>Climate</b>                                 |                                  |
| Annual Rainfall                                | 46.97 inches                     |
| Annual Snowfall                                | 4.0 inches                       |
| Precipitation Days                             | 144                              |
| Average High (July)                            | 82° F                            |
| Average Low (January)                          | 35° F                            |
| Elevation (average)                            | 325 feet                         |

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# introduction

## Taxes

### Tax Rates FY 2020-21

**Property Tax**  
 There are multiple tax collecting entities in the City of Dallas: Polk County, Dallas School District, Willamette Education Service District, Chemeketa Cooperative Regional Library Service, Polk Soil and Water Conservation District, Dallas Cemetery District, 4-H/ Master Gardener/Ag Forest Extension District, and the City of Dallas. Polk County assesses the taxable value and collects all property tax. The City of Dallas's permanent certified tax rate is 4.1954%.

| Dallas Residence Tax Rate by Code | Amount        |
|-----------------------------------|---------------|
| <i>City of Dallas</i>             | 4.1269        |
| <i>Dallas Urban Renewal</i>       | 0.1898        |
| Polk County                       | 1.688         |
| Polk County Public Safety         | 0.4250        |
| Chemeketa                         | 0.6157        |
| Chemeketa Bonds                   | 0.2602        |
| Chemeketa Regional Library        | 0.0805        |
| Willamette ESD                    | 0.2919        |
| Dallas CD                         | 0.0539        |
| Polk Soil / Water CD              | 0.0492        |
| Dallas School District 2          | 4.4783        |
| Dallas SD2 Bonds                  | 1.7204        |
| 4-H/M.G./Ag/Forest Ext Dist.      | 0.064         |
| <b>Total</b>                      | <b>14.044</b> |

### Top Ten City of Dallas Property Tax Payers

| Owner Name                           | Tax Amount | Assessed Value | Real Market Value |
|--------------------------------------|------------|----------------|-------------------|
| DALLAS MENNONITE RETIREMENT COMM INC | 175,354.28 | 12,500,280     | 20,377,230        |
| NORTHWEST NATURAL GAS CO             | 134,624.16 | 9,855,000      | 9,855,000         |
| GREENWAY                             | 124,502.43 | 8,864,760      | 15,808,310        |
| WAL-MART REAL ESTATE BUSINESS        | 108,663.36 | 7,737,460      | 11,134,800        |
| VICTORIA PLACE GENERAL PARTNERSHIP   | 103,490.31 | 7,369,110      | 12,593,360        |
| DALLAS MENNONITE RET COMM, INC       | 91,837.20  | 6,539,340      | 13,754,420        |
| CHARTER COMMUNICATIONS               | 79,954.78  | 5,852,700      | 5,852,700         |
| PACIFICORP (PP&L)                    | 67,966.54  | 4,975,000      | 4,975,000         |
| ACI REAL ESTATE SPE 131 LLC          | 63,190.22  | 4,499,510      | 8,132,780         |
| 1351 TANDEM AVE LLC ETAL             | 61,426.19  | 4,373,900      | 7,433,180         |

### Taxes Outside Limitation

In 1997, Oregon voters changed the property tax system in Oregon. Previously, the City received voter approval of a tax base and a continuing serial levy (5 mills) based upon the real property value of the City. The new constitutionally approved property tax system (Measure 50) set up a new rate base tax system and limits the amount of property taxes that can be levied on each property. The new system allows for continuation of our existing authority to levy property taxes; however, at a reduced rate. Measure 50 limits general-purpose property taxes from growing more than 3% per year on any property. The City is allowed to tax new construction at a rate equal to existing property. Because bonds are excluded from the limit, the City is permitted to levy a tax to pay all General Obligation (GO) bond debt.

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# introduction

## Budget Process

The budget, as presented in this document, is developed for the General Fund, Governmental Funds, and Enterprise Funds. All budgets must be balanced and expenditures may not exceed the total budget.

The budget is created, adopted, and amended in accordance with state law. The budget is adopted on a basis consistent with generally accepted accounting principles. The budget is amended through Council adoption and resolution. If a supplemental budget is required, a public hearing is noticed and held, per requirements set forth by the State of Oregon, before the Council adopts a resolution approving the supplemental budget.

Budget amounts are reported as originally adopted. Budgeted expenditure appropriations lapse at fiscal year-end. Supplementary appropriations can be carried forward to the following year, if approved by City Council.

## Budget Timeline 2021

### April

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>April 19 - General Meeting of the Budget Committee.</li> </ul> | <ul style="list-style-type: none"> <li>May 17 - Budget Committee meeting if needed. Last date for Budget Committee to approve a recommended Budget.</li> </ul> |
|---|--|

### May

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>May 3 - Proposed budget for FY 2021-2022 distributed to the budget committee and made available to the public.</li> <li>May 10 - General Meeting of the Budget Committee. 1. Presiding officer elected 2. City Manager presents budget message. 3. Public Hearing on the proposed budget and state revenue sharing. 4. Discuss proposed department funds.</li> <li>May 12 - Budget Committee meeting. 1. Continue discussion on proposed department funds. 2. Budget Committee passes a motion recommending to the Council a Budget for FY 2021-2022 and approving an amount or rate of total property taxes to be certified for collection.</li> </ul> | <h3>June</h3> <ul style="list-style-type: none"> <li>June 21 - Public Hearing on the recommended 2021-2022 Budget and proposed use of State Revenue Sharing funds. 2. City Council adopts a resolution making appropriations and levying property taxes and a resolution regarding receiving State Revenue Sharing funds.</li> <li>June 30 - Certify Property Tax Levy to County Assessor.</li> </ul> |
|--|---|

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# introduction

## **City Budget Message by Brian Latta, City Manager**



### **2021-22 Annual Budget**

#### **To the City of Dallas Budget Committee Members:**

May 3, 2021

In last year's budget message, I started out with the grim truth about the health and direction of the City's budget, especially in the General Fund. We were running quickly to the cliff's edge, and took immediate budgetary actions to slow the pace to a light walk. This year we can still see the cliff and are slowly moving in its direction. In the General Fund, expenditures are up 3.6% and continue to outpace revenues which are only up 0.64%. The City Council is well aware of the current state of the city's General Fund and the need to take actions to retain its health for the long-term. The City Council prioritized the health of the City's budget, and specifically the General Fund, as one of its top 5 goals for FY2022.

This past year has certainly been challenging for everyone with the global pandemic and government-imposed restrictions affecting the state and local economy. The City and our operations were not immune, as we saw losses in some revenues and unplanned expenditures. The federal government did provide some financial relief with the CARES Act funding, and the City made the decision to reduce personnel mid-year to keep expenditures in check. These actions have put the city in a good financial position heading into this fiscal year. Additionally, the federal government recently passed the American Rescue Plan Act, which is expected to provide an additional \$3.2 million of restricted funds to the City of Dallas over the next three and a half fiscal years. I will note here that the proposed budget does not account for any of the funding from the ARPA, because the US Treasury continues to work on guidance on how, where and for what these funds can be used, and will not release any of the funding until this guidance is published. Assuming any of this funding is released in the coming fiscal year, and the City Council chooses to appropriate any of the funding in FY2022, it will likely require a supplemental budget process to do so.

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## introduction

Oregon Revised Statute 294.403 requires the chief executive officer of the city to deliver a budget message to the Budget Committee at their first meeting. The budget message is to include:

- An explanation of the budget document
- Brief description of the city's financial policies
- Description of important features of the budget document, as they relate the city's financial policies
- An explanation of changes in appropriations and revenues
- An explanation of major changes in financial policy, and
- Any changes in the basis of accounting, if planned.

Each of the above bullet points are addressed throughout this message.

### Acknowledgements

Before jumping into the full budget message, I would first like to acknowledge and thank the Mayor, Council, and citizen members of the Budget Committee for committing your time, energy and knowledge to the city's budget. I greatly value your contributions to this process, as they represent those of the community we strive to serve.

I would also like to thank our citizens, businesses, and visitors who all financially contribute to the city's budget. I hope you recognize our efforts to reduce costs, while at the same time supporting necessary increases in charges for services.

Thank you to every city staff member who contributed to the formation of the budget document. I would like to give special recognition to the department managers who are finding ways to provide quality services with the reduced budget. That effort does not go unrecognized.

I would like to give extra praise to Cecilia Ward and the city's finance team. Their work continues to be exemplary. Finally, I'd like to recognize and thank Emily Gagner and Sam Kaufmann who have assisted with the development and organization of the budget document.

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# introduction

## Accomplishments

In considering the proposed budget for the upcoming year, I want to share some of what has been accomplished over the past year. I will not take too much room here but will provide a few quick highlights. In FY 2020-21 the City:

- Completed the Hayter Street sewer and Maple Street overlay projects, resulting in over 1 mile of improved streets surfaces in an older part of the City
- Completed the Economic Opportunities Analysis
- Organized and assisted hanging high school senior class banners on power poles throughout the community
- Provided library services, including curbside book delivery throughout the COVID-19 closures
- Constructed pedestrian crossings with RRFB signage on Miller and Fir Villa
- Obtained Federal and State funding to provide over \$300,000 in grants to local businesses struggling because of COVID-19.
- Installed the city's first public electric vehicle charging stations at the Library and Aquatic Center
- Responded to the ice storm and successfully completed the debris removal cleanup with the community
- Completed the engineering plans for the Godsey Road improvement project, as well as the recycled water project.
- Provided personnel assistance to the wildfires this summer in Oregon.
- Restructured the Planning and Building Department into the Economic & Community Development Department and hired a new director for the department.

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## Council Goals

On February 20, 2021, the City Council and senior management team attended a Council Goal Setting Retreat. Coming out of this half day activity, the City Council established a good list of goals and projects for the next few years. At their April 5, 2021 workshop meeting, the City Council selected five goals to be priorities in the coming fiscal year. They are:

- Increasing our pre-treatment water storage capacity
- Addressing the General Fund Budget Needs
- Preparing the former mill site for redevelopment
- Addressing the public safety facility needs
- Implementing the street maintenance program

The proposed budget includes funding for each of the Council's goals listed above. For example, the budget includes \$20,000 in the economic and community development department's professional services for an urban renewal district feasibility study and technical analysis addressing the former mill site redevelopment goal. Also, the street fund revenues include \$4.3 million in financing proceeds, and \$2.5 million in contractual overlays expenditures to implement year one of the street maintenance program.

Work has already begun on the Council goals of addressing the needs of the public safety facilities, increasing our pre-treatment water storage capacity, and addressing the General Fund budget needs.

## American Rescue Plan Act Funding

As mentioned in the introduction, the federal government approved the American Rescue Plan Act (ARPA), which, among other things, will provide direct payments to local governments to address the impacts of COVID-19. The US Treasury continues to work on guidance on how, when, and for what the funding can be used, in addition to determining the final allocations for each jurisdiction. It is anticipated that the City of Dallas will receive \$3.2 million. The federal legislation does shed a little light on what types of things this funding can be spent. According to the bill, the funding can be spent on:

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## introduction

- Responding to or mitigating the public health emergency with respect to the COVID-19 emergency or its negative economic impacts;
- Providing government services to the extent of the reduction in revenue;
- Making necessary investments in water, sewer, or broadband infrastructure; and
- Responding to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the city that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

The US treasury guidance should provide better clarity to the broad categories outlined in the ARPA.

The ARPA also specifies that the allocation to the City will occur in two rounds. The first payment occurring within 60 days of the bill's effective date, and the second payment no earlier than a year from the first round payment. The ARPA states that all funding needs to be spent by December 31, 2024.

As I noted in the introduction to this message, the proposed budget does not account for any of the ARPA funding, either in the revenues or expenditures. This is because we do not have clarity on the total amount we will be receiving or on what the funding can be spent. Once the treasury guidance is released, City staff will work closely with the City Council on how to invest these funds. If the Council elects to expend any of the funding re-

### City's Financial Policies

The City Council reviewed and amended their fiscal policies in June 2020 (see Fiscal Policies in your budget packet).

I'd like to spend some space in this budget message to reinforce the importance of the City's financial policies. These policies, when followed, will ensure the city's long-term financial stability and ability to provide quality services to our citizens, businesses and visitors. Not following our financial policies forces tougher conversations and decision making down the road, and could negatively affect services the City can provide. I'll highlight a few of the financial policies which are relevant to current decision making with respect to this year's budget.

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### **Revenue Policies**

1. *The City will maximize the use of service users' charges in lieu of taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.*
2. *Charges for providing utility services shall be sufficient to finance all operating, capital outlay and debt service expenses of the City's enterprise funds (street, sewer, water, storm), including planning, operating contingency, reserve and future expansion/upgrade requirements.*
3. *User charges shall fund 100% of the direct cost of development review and building activities, including permit and inspection services.*
4. *Charges for services shall accurately reflect the actual cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The city shall maintain a current schedule of fees, showing when the fees were last reviewed and/or recalculated and systematically review user fees and charges to take into account the effects of additional service costs and inflation.*
5. *Unless otherwise authorized by City Council, General Fund and other unrestricted revenues shall not be earmarked for specific programs, activities or services.*

As part of the budget approval process, the Budget Committee approves projected revenues that includes fees for services, such as building permit fees, the public safety fee, and other permit and license fees. The Budget Committee does not create or set the fee rates. That is the responsibility of the City Council. However, the Budget Committee should verify that the fee for service revenues pay for the services they provide.

With respect to revenue policy 5 above, no General Fund or other unrestricted revenue has been earmarked for specific programs, activities or services. This means these revenues may be applied to any service at any level up to the amount of the revenue.

### **Operating Budget Policies**

6. *Long-term debt or bond financing shall only be used for the acquisition of capital improvement projects or specialized equipment. Long-term debt or bond financing shall not be used to finance current operating expenditures.*

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City staff are proposing to acquire long-term debt for the street maintenance program starting in this year's proposed budget. City staff have performed the analysis and determined the revenue source for repayment of this debt. The source of revenue is the increase in the state gas tax, approved by HB2017 (2017). The street maintenance program is a capital improvement program and is consistent with this policy.

### **Debt Policies**

4. *Interfund loans shall not be used for operating expenses, and shall be discouraged for capital expenditures out of another fund.*
5. *No debt shall be issued for which the City is not confident that a sufficient specifically identified revenue source is available for repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.*

City staff do not propose any new interfund loans in the FY 2022 budget.

### **Reserve Policies**

1. *The City shall strive to maintain an unappropriated reserve in all Funds that is at least 10% of the operating budget (excluding debt service, capital outlay, equity transfers, reserves, and interfund transfer reimbursement revenues).*
2. *The City shall establish a contingency fund to provide for unanticipated expenditures of a nonrecurring nature to meet unexpected increases in service delivery costs.*

The General Fund unappropriated reserve, excluding contingency is roughly 16.4% this year, which is a significant improvement over last year's reserve of roughly 10%.

The proposed budget includes contingency expenditure lines for the funds where we may experience unexpected expenses to occur.

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## Operational and Budget Changes

### Operational Changes

There are just a few changes in the organizational structure of the City this year. First, the Planning and Building Department has undergone a slight restructuring and rebranding. A year and a half ago the department added Code Services, which is our code enforcement program. This past year, the department has also taken on the Economic Development program for the City. The department has been renamed *Economic & Community Development*. A new department manager has been hired to replace the former department manager. These changes do not have significant impacts to the overall budget. However, you'll notice that economic development expenses will now be paid out of this department's fund, instead of the Administration department's budget.

The Library and Police staffing were negatively impacted by covid-related personnel reductions in the fall of 2020. The police officer vacancy is planned to be filled in the proposed budget and a recruitment is currently underway. The staffing levels in the library will also be increased, albeit not back to pre-covid levels at this time.

### Budget Changes

There are just a few minor changes to the budget document this year, in terms of renaming funds, expense and revenue lines. For example, the Planning Fund has been renamed Economic & Community Development Fund.

### *Transient Lodging Taxes*

The City collects a transient lodging tax (TLT), or hotel tax, from the short-term lodging facilities in Dallas. By state law, 70 percent of these funds are restricted, and can only be used in a few ways. Traditionally, these funds have been provided to the Dallas Area Visitor's Center which is a permitted use of these funds under state law. The average amount of funding provided was between \$80,000 and \$100,000 annually. The Visitor's Center traditionally used these funds to pay for an office space, staffing, running community events, and tourism promotion activities. In June 2019, the City Council ended their contract with the Visitor's Center, and did not provide them with any funding for the following fiscal year. In part, the Council's decision was based on the Visitor's Center staff's inability to properly account for how the funding provided by the City was being used.

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Over the past two fiscal years, the City has provided a small amount of funding to the Visitor's Center. However, this amount has not been sufficient to enable the center to provide adequate tourism promotion for the City. Additionally, the City has provided a small amount of funding to the Polk County Tourism Alliance, which is a collaborative of the cities of Independence, Dallas and Monmouth, Polk County and Travel Oregon. This collaborative group provides tourism promotion and activities for the Polk County region.

In the coming fiscal year, the City will continue to plan, organize and run the community events. These events are a piece of the tourism offerings the City has. However, no TLT funding can be used to plan organize or run the events, except for promotion and advertising of the events. In addition to the events, there has been interest expressed among the City Councilors to create business-related tourism content (advertising) to help promote and grow the City's economy.

The options for using the TLT funding in this coming year are:

1. Increase the funding provided to the Visitor's Center which would likely result in additional tourism promotion as directed by the City of Dallas (\$50,000 requested);
2. Continue our participation in the Polk County Tourism Alliance (\$20,000 requested)
3. Provide funding to direct marketing and advertising campaigns for city run events and business tourism (\$50,000).

The proposed budget is moving ahead with options 2 and 3. The TLT funding is expended out of the Parks Fund under the Community Events and Promotion expenditure detail. \$94,500 is proposed in this expense line, and includes the \$70,000 identified above plus additional expenditures beyond the 70 percent restricted TLT funding.

### Capital Improvement Planning

The City of Dallas maintains a 5-year Capital Improvement Plan. This plan is included in this budget document. Capital projects are expenditures in excess of \$5,000. Many of the projects slated for FY 21-22 are system development charge eligible, or enterprise fund supported projects (e.g. John Barnard Park, or equipment replacement at the wastewater treatment plant). The proposed budget does include some funds for General Fund supported capital expenditures.

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The General Fund capital improvement needs continue to exceed the revenues available for the capital projects. The unappropriated fund balance in the General Fund is intentionally kept large to pay for capital projects in the future. It is also anticipated that ARPA funding, if it is appropriated in this fiscal year, be strongly considered for General Fund capital projects, if allowed under the US Treasury guidance.

### **How to Read the Budget Document**

The FY 2021-22 Budget document contains the budget message, information about the city's tax rates, the budget calendar, the city's fiscal policies, a listing of the city's personnel, the city's capital improvement plan, and number sheets for the entire city budget. The budget message, calendar, tax rates, fiscal policies, personnel list, and capital improvement plan are included to provide context to the city's budget. It is important to read and understand these documents before jumping both feet into the numbers. The number sheets, or meat of the budget, contain the proposed revenue projections and appropriations. This is where the Budget Committee and City Council will spend much of their time. As such, I wanted to provide you with a quick guide on how to read a number sheet. I've taken the FY 2021-22 Administration Expenditures number sheet as the example (see next page).

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| Administration Expenditures           |                   |                   |                    |                     |                     |                    |
|---------------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------|--------------------|
|                                       | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Proposed<br>2021-22 | Approved<br>2021-22 | Adopted<br>2021-22 |
| <b>Personnel Services</b>             |                   |                   |                    |                     |                     |                    |
| Salaries                              | 384,691           | 373,578           | 286,000            | 300,000             |                     |                    |
| Fringe benefits                       | 173,678           | 225,386           | 197,000            | 188,000             |                     |                    |
| PERS EIF Contribution                 | 0                 | 158,576           | 0                  | 0                   |                     |                    |
| <b>Total personnel services</b>       | <b>558,369</b>    | <b>757,540</b>    | <b>483,000</b>     | <b>488,000</b>      | <b>0</b>            |                    |
| <b>Materials and Services</b>         |                   |                   |                    |                     |                     |                    |
| Public notices                        | 1,787             | 368               | 500                | 1,000               |                     |                    |
| Materials and supplies                | 2,166             | 3,621             | 2,500              | 3,000               |                     |                    |
| Repairs & maintenance                 | 619               | 319               | 700                | 11,000              |                     |                    |
| Office expense                        | 1,505             | 1,789             | 2,000              | 2,000               |                     |                    |
| Mayor expense                         | 6,475             | 5,609             | 4,000              | 5,000               |                     |                    |
| Council expense                       | 9,051             | 7,711             | 8,000              | 8,000               |                     |                    |
| Economic Development exp              | 8,464             | 8,053             | 42,000             | 0                   |                     |                    |
| Telecommunications                    | 67                | 73                | 500                | 500                 |                     |                    |
| Maintenance & rental contracts        | 4,291             | 7,685             | 10,000             | 9,000               |                     |                    |
| Computer services                     | 6,813             | 8,062             | 8,000              | 11,000              |                     |                    |
| Professional services                 | 9,743             | 31,320            | 50,000             | 40,000              |                     |                    |
| City Attorney                         | 58,800            | 58,800            | 59,000             | 59,000              |                     |                    |
| Employee development                  | 196               | 957               | 1,000              | 3,000               |                     |                    |
| Emergency Management                  | 8,221             | 8,791             | 8,000              | 10,000              |                     |                    |
| Risk Management                       | 494               | 144               | 500                | 500                 |                     |                    |
| Travel and education                  | 4,620             | 7,690             | 8,000              | 10,000              |                     |                    |
| 150th Celebration                     | 0                 | 0                 | 0                  | 5,000               |                     |                    |
| Miscellaneous                         | 23,465            | 13,507            | 9,300              | 12,000              |                     |                    |
| <b>Total materials &amp; services</b> | <b>146,779</b>    | <b>164,497</b>    | <b>214,000</b>     | <b>190,000</b>      | <b>0</b>            |                    |
| <b>Capital Outlay</b>                 |                   |                   |                    |                     |                     |                    |
| <b>Total capital outlay</b>           | <b>0</b>          | <b>0</b>          | <b>0</b>           | <b>0</b>            | <b>0</b>            |                    |
| <b>TOTAL</b>                          | <b>705,148</b>    | <b>922,038</b>    | <b>697,000</b>     | <b>678,000</b>      | <b>0</b>            |                    |

Oregon Budget law requires local budgets to include the prior three years data. This is why you will see the Actual 2018-19 and Actual 2019-20 numbers, as well as the Amended 2020-21 numbers. The Actual numbers are audited. The Amended numbers are what was budgeted (including mid-year amendments), but does not reflect what was actually received or expensed.

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The next three columns titled the Proposed, Approved and Adopted 2021-22 are for the current budget process. The Proposed 2021-22 numbers are what the Budget Committee will consider. Once the Budget Committee approves the proposed numbers, including any revisions, those numbers will be added to the Approved 2021-22 column. The Approved number sheets will be considered by the City Council. Once the City Council adopts the Approved numbers, including any revisions, those numbers will be added to the Adopted 2021-22 column and the FY 2021-22 budget will be completed.

Similar to last year, you will notice there is a brief narrative summary after each number sheet. This summary will give you some additional insight into what has changed in the numbers and why. We hope this information will prove valuable to you in reviewing and understanding the proposed budget numbers.

Respectfully submitted,

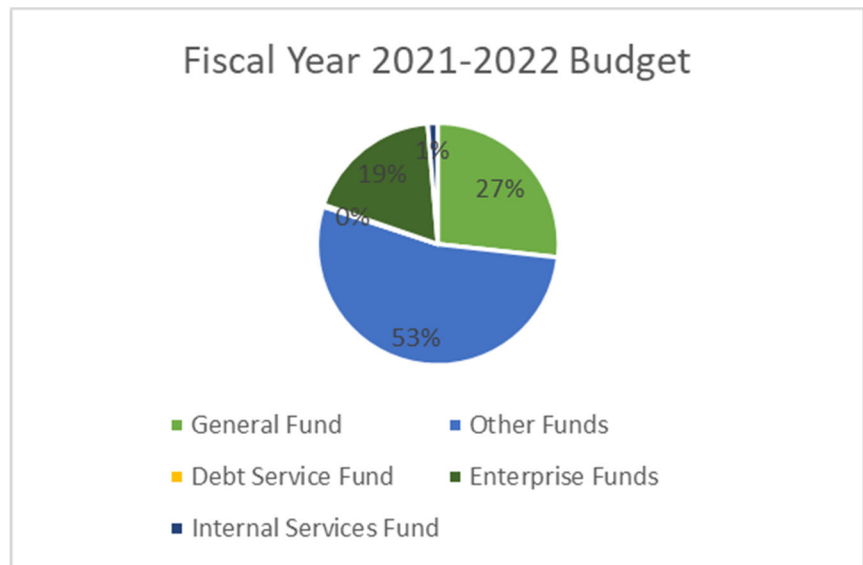
Brian Latta  
City Manager



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| Fiscal Year 2021-2022 Budget                 |                              |                             |                   |                        |
|--|------------------------------|-----------------------------|-------------------|------------------------|
| \$67,738,280                                 |                              |                             |                   |                        |
| Governmental Funds                           |                              |                             | Proprietary Funds |                        |
| \$54,370,280                                 |                              |                             | \$13,368,000      |                        |
| General Fund                                 | Other Funds                  | Debt Service Fund           | Enterprise Funds  | Internal Services Fund |
| \$18,122,065                                 | \$36,084,175                 | \$164,040                   | \$12,455,000      | \$913,000              |
| Administration                               | Street Fund                  | General Long-Term Debt Fund | Sewer Fund        | Fleet Mngt Fund        |
| City Council; City Attorney; Human Resources | Building Inspection Fund     |                             | Stormwater Fund   |                        |
| Library                                      | Police/Fire and EMS Fee Fund |                             | Water Fund        |                        |
| Finance                                      | Systems Development Fund     |                             |                   |                        |
| Parks  | Trust Fund                   |                             |                   |                        |
| Municipal Court                              | Grant Fund                   |                             |                   |                        |
| Fire and EMS                                 | Risk Management Fund         |                             |                   |                        |
| Police                                       |                              |                             |                   |                        |
| Aquatic Center                               |                              |                             |                   |                        |
| Economic Development & Community Development |                              |                             |                   |                        |
| Facilities                                   |                              |                             |                   |                        |

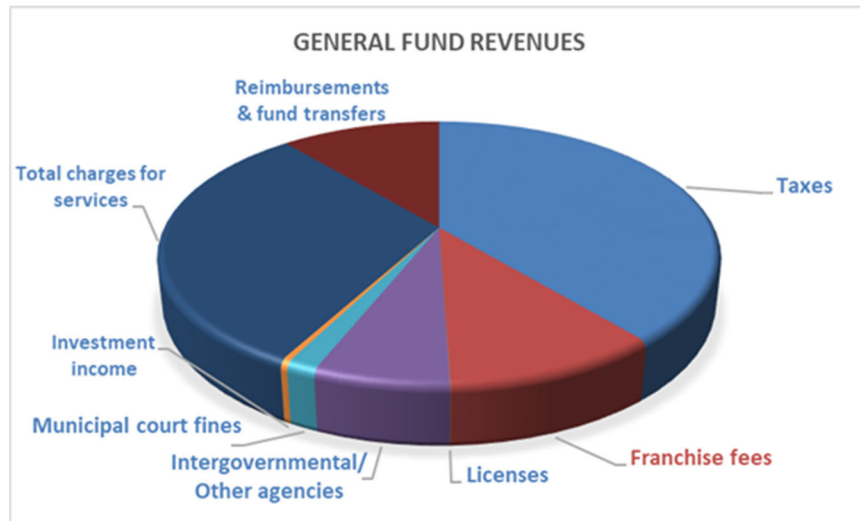


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# general fund

## General Fund Revenues

|                                  | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|----------------------------------|-------------------|-------------------|--------------------|--------------------|
| Taxes                            | 4,323,199         | 4,642,543         | 4,700,000          | 5,145,000          |
| Franchise fees                   | 1,302,982         | 1,336,582         | 1,350,000          | 1,395,500          |
| Licenses                         | 2,713             | 1,670             | 2,000              | 2,000              |
| Intergovernmental/Other agencies | 1,002,135         | 802,333           | 869,750            | 876,865            |
| Municipal court fines            | 233,146           | 183,013           | 233,000            | 196,500            |
| Investment income                | 134,020           | 143,454           | 100,000            | 50,000             |
| Total charges for services       | 2,831,788         | 2,650,642         | 2,666,100          | 4,089,000          |
| Reimbursements & fund transfers  | 1,358,425         | 1,838,933         | 1,496,200          | 1,467,200          |
| <b>TOTAL REVENUES</b>            | <b>11,188,408</b> | <b>11,599,170</b> | <b>11,417,050</b>  | <b>13,222,065</b>  |
| Beginning balances               | 2,278,858         | 2,921,045         | 3,211,245          | 4,900,000          |
| <b>TOTAL</b>                     | <b>13,467,266</b> | <b>14,520,215</b> | <b>14,628,295</b>  | <b>18,122,065</b>  |

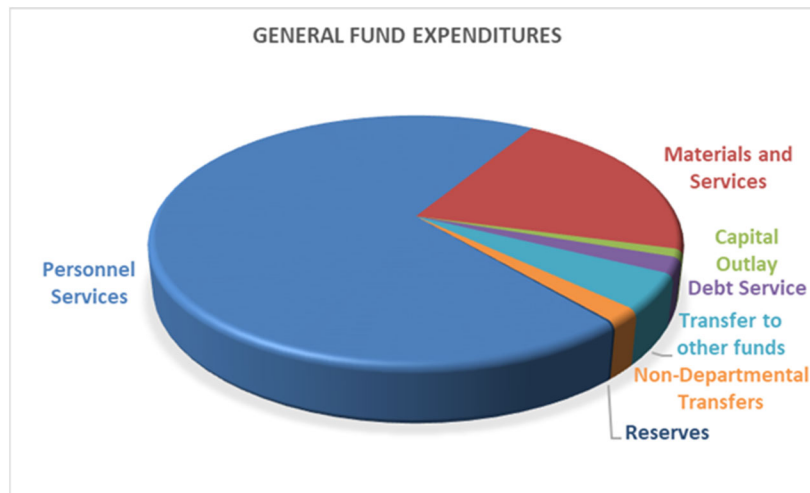


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# general fund

## General Fund Expenditures

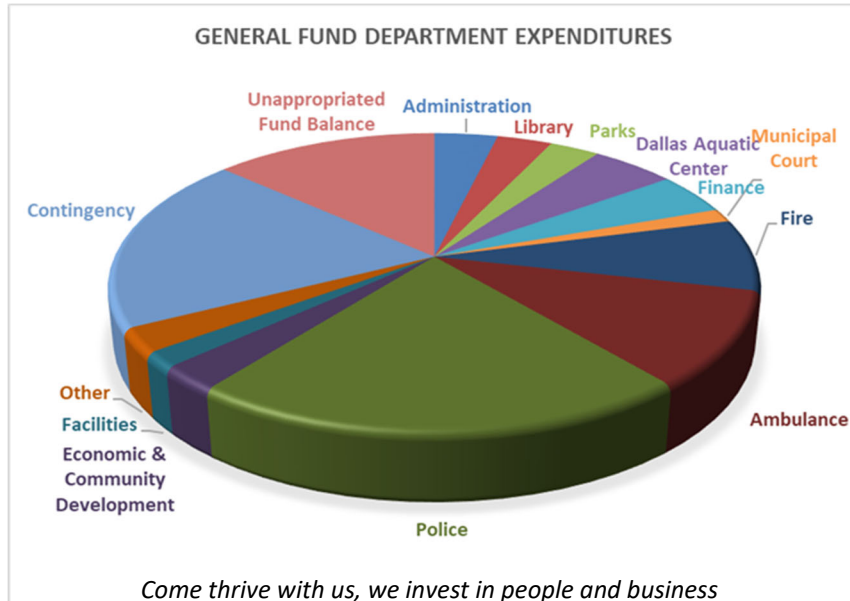
|                              | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|------------------------------|-------------------|-------------------|--------------------|--------------------|
| Personnel Services           | 7,331,008         | 8,002,311         | 8,714,000          | 8,663,000          |
| Materials and Services       | 2,605,245         | 2,396,517         | 2,633,200          | 2,658,250          |
| Capital Outlay               | 0                 | 0                 | 159,868            | 307,980            |
| Debt Service                 | 131,195           | 188,604           | 254,235            | 257,154            |
| Transfer to other funds      | 171,251           | 196,169           | 571,879            | 80,500             |
| Non-Departmental Transfers   | 421,000           | 573,000           | 262,442            | 235,000            |
| Reserves                     | 0                 | 0                 | 20,000             | 20,000             |
| <b>TOTAL EXPENDITURES</b>    | <b>10,659,699</b> | <b>11,356,601</b> | <b>12,615,624</b>  | <b>12,221,884</b>  |
| Operating Contingencies      | 0                 | 0                 | 100,000            | 3,500,000          |
| Unappropriated Fund Balances | 0                 | 0                 | 1,493,686          | 2,400,181          |
| <b>TOTAL GF RECAP</b>        | <b>10,659,699</b> | <b>11,356,601</b> | <b>14,209,310</b>  | <b>18,122,065</b>  |



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## general fund

| <b>General Fund Department Expenditures</b> | <b>Dept Total</b> |
|---|-------------------|
| Administration                              | 678,000           |
| Library                                     | 588,000           |
| Parks                                       | 534,500           |
| Dallas Aquatic Center                       | 905,000           |
| Finance                                     | 813,000           |
| Municipal Court                             | 263,000           |
| Fire  | 1,406,593         |
| Ambulance                                   | 1,869,450         |
| Police                                      | 3,907,000         |
| Economic & Community Development            | 486,000           |
| Facilities                                  | 299,000           |
| Other                                       | 472,341           |
| Contingency                                 | 3,500,000         |
| Unappropriated Fund Balance                 | 2,400,181         |



## governmental funds

| <b>Governmental Funds</b>         |                            |
|-----------------------------------|----------------------------|
| Risk Management                   | System Development Charges |
| Capital Projects                  | Trust Fund                 |
| Building Department               | Grant Fund                 |
| Police Officer Fee and FF/EMS Fee | General Obligation         |
| Streets                           | Long-Term Debt             |

| <b>Governmental Funds Revenues</b> | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|------------------------------------|-------------------|-------------------|--------------------|--------------------|
| Risk Management                    | 618,644           | 599,686           | 545,942            | 527,400            |
| Capital Projects                   | 665,710           | 378,659           | 170,000            | -                  |
| Building Department                | 1,080,393         | 1,198,016         | 1,228,333          | 1,573,500          |
| Police Officer Fee and FF/EMS Fee  | 264,374           | 493,747           | 473,148            | 570,000            |
| Streets                            | 2,800,678         | 4,046,212         | 4,330,349          | 8,820,000          |
| System Development Charges         | 11,144,711        | 12,090,647        | 19,385,000         | 21,318,225         |
| Trust Fund                         | 395,969           | 374,761           | 356,810            | 284,850            |
| Grant Fund                         | 185,218           | 1,540,452         | 3,339,569          | 2,990,200          |
| General Obligation                 | 815,634           | 378,834           | -                  | -                  |
| Long-Term Debt                     | 142,304           | 148,416           | 154,044            | 164,040            |

| <b>Governmental Funds Expenditures</b> | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|--|-------------------|-------------------|--------------------|--------------------|
| Risk Management                        | 435,677           | 435,243           | 561,500            | 527,400            |
| Capital Projects                       | 653,651           | 228,096           | 170,000            | -                  |
| Building Department                    | 410,818           | 467,559           | 1,187,875          | 1,573,500          |
| Police Officer Fee and FF/EMS Fee      | 189,171           | 440,599           | 457,000            | 570,000            |
| Streets                                | 892,409           | 2,141,303         | 4,650,000          | 8,820,000          |
| System Development Charges             | 991,439           | 3,165,717         | 19,385,000         | 21,318,225         |
| Trust Fund                             | 170,292           | 192,450           | 322,400            | 284,850            |
| Grant Fund                             | 636,065           | 1,520,727         | 3,323,369          | 2,990,200          |
| General Obligation                     | 436,800           | 378,834           | -                  | -                  |
| Long-Term Debt                         | 142,304           | 148,416           | 154,044            | 164,040            |

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# governmental funds

## Governmental Funds Capital Improvement Projects

| Project   | Funding Source   | Proposed FY 21-22 |
|---|--|-------------------|
| <b>Streets</b>  |  |                   |
| <b>Routine</b>  |  |                   |
| Sidewalk Replacement/ADA Ramps  | Street Fund  | \$ 50,000         |
| Pavement Maintenance and Overlay Program  | Street Fund-ODOT Fund Exchange \$500K; Loan \$4.3m   | \$ 4,800,000      |
| <b>Non-Routine</b>  |  |                   |
| Miscellaneous Equipment - Crosswalk flashers (x2); Speed signs (x3); Streetlight additions; Misc. | Street Fund  | \$ 30,000         |
| Intersection-W Ellendale Ave/Levens St  | Street SDC   | \$ 959,000        |
| Godsey Road improvements with curb and sidewalk from Miller Avenue to Monmouth Cut-off            | STIP(ODOT)-Grant \$1,410,000; State funds \$1,000,000; Street SDC and Storm SDC \$500,000; Balance- Sewer SDC; Sewer | \$ 3,650,000      |



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## enterprise funds

### **Enterprise Funds**

**Water Services** – Provide engineering, management, operation and oversight of the City’s Water Treatment Plant and distribution system including the ASR well, intake facility and Mercer Reservoir and Dam.

**Sewer Services** – Provide engineering, design, contract oversight and inspection services for the City’s sewer infrastructure.

**Stormwater Services** – Provide engineering, design, contract oversight and inspection services for the City’s stormwater infrastructure.

**Fleet Management** – Fleet Management manages and maintains the City’s fleet of vehicles and equipment through the Total Care Program.



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## sewer

### Sewer Fund

|   | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|---|-------------------|-------------------|--------------------|--------------------|
| <b>Revenues</b>                             |                   |                   |                    |                    |
| Total revenues                              | 3,693,285         | 3,829,522         | 3,770,000          | 3,850,000          |
| Beginning balances                          | 1,030,640         | 819,571           | 697,996            | 1,550,000          |
| <b>TOTAL - Revenue + Beg Bal</b>            | <b>4,723,925</b>  | <b>4,649,093</b>  | <b>4,467,996</b>   | <b>5,400,000</b>   |
| <b>Expenditures</b>                         |                   |                   |                    |                    |
| Total Expenditures                          | 3,904,354         | 3,951,096         | 3,505,902          | 3,537,958          |
| Operating Contingencies                     | -                 | -                 | 1,034,098          | 1,862,042          |
| <b>TOTAL - Expenditures + Contingencies</b> | <b>3,904,354</b>  | <b>3,951,096</b>  | <b>4,540,000</b>   | <b>5,400,000</b>   |

### Sewer Fund

#### Capital Improvement Projects

| Project   | Funding Source                              | Proposed FY<br>21-22 |
|---|---|----------------------|
| <b>Sewer</b>  |   |                      |
| <b>Routine</b>                                      |   |                      |
| Pipe Repair and Maintenance                         | Sewer Fund                                  | \$ 50,000            |
| Wastewater Treatment Facility Equipment Replacement | Sewer Fund                                  | \$ 50,000            |
| CMOM Program (Includes I & I and FOG Removal)       | Sewer Fund                                  | \$ 200,000           |
| <b>Non-Routine</b>                                  |   |                      |
| WWTF - 177 HP Wempco Influent Pump                  | Sewer Fund                                  | \$ 200,000           |
| WWTF - Clarifier Sweep Arm Rehab                    | Sewer Fund                                  | \$ 110,000           |
| WWTF - W3 Pump replacement                          | Sewer Fund                                  | \$ 30,000            |
| Reclaimed Wastewater (Purple Pipe) Project          | Sewer SDC - DEQ Loan \$7M; Sewer SDC \$1.6M | \$8,600,000          |
| Fiber Optics  | Sewer Fund                                  | \$ 50,000            |
| LaCreole Node Sewer Line Design                     | Sewer SDC                                   | \$ 500,000           |

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# stormwater

## Stormwater Fund

|   | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|---|-------------------|-------------------|--------------------|--------------------|
| <i>Revenues</i>                             |                   |                   |                    |                    |
| Total revenues                              | 216,148           | 439,766           | 425,000            | 665,000            |
| Beginning balances                          | 101,496           | 85,150            | 184,381            | 430,000            |
| <b>TOTAL - Revenue + Beg Bal</b>            | <b>317,644</b>    | <b>524,916</b>    | <b>609,381</b>     | <b>1,095,000</b>   |
| <i>Expenditures</i>                         |                   |                   |                    |                    |
| Total Expenditures                          | 232,494           | 340,535           | 480,793            | 663,843            |
| Operating Contingencies                     | 0                 | 0                 | 119,207            | 431,157            |
| <b>TOTAL - Expenditures + Contingencies</b> | <b>232,494</b>    | <b>340,535</b>    | <b>600,000</b>     | <b>1,095,000</b>   |



## Stormwater Fund

### Capital Improvement Projects

| Project                            | Funding Source  | Proposed FY<br>21-22 |
|------------------------------------|-----------------|----------------------|
| <b>Stormwater Routine</b>          |                 |                      |
| Storm Drain Replacement and Rehab. | Stormwater Fund | \$ 50,000            |
| <b>Non-Routine</b>                 |                 |                      |
| Feasibility Study                  | Stormwater Fund | \$ 350,000           |

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# water

## Water Fund

|   | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|---|-------------------|-------------------|--------------------|--------------------|
| <i>Revenues</i>                             |                   |                   |                    |                    |
| Total revenues                              | 3,110,629         | 3,067,293         | 3,179,000          | 3,460,000          |
| Beginning balances                          | 2,366,577         | 2,608,936         | 2,825,000          | 2,500,000          |
| <b>TOTAL - Revenue + Beg Bal</b>            | <b>5,477,206</b>  | <b>5,676,229</b>  | <b>6,004,000</b>   | <b>5,960,000</b>   |
| <i>Expenditures</i>                         |                   |                   |                    |                    |
| Total Expenditures                          | 2,868,270         | 2,938,118         | 3,712,766          | 3,991,381          |
| Operating Contingencies                     | -                 | -                 | 2,291,234          | 1,968,619          |
| <b>TOTAL - Expenditures + Contingencies</b> | <b>2,868,270</b>  | <b>2,938,118</b>  | <b>6,004,000</b>   | <b>5,960,000</b>   |



## Water Fund

### Capital Improvement Projects

| Project                          | Funding Source | Proposed FY<br>21-22 |
|----------------------------------|----------------|----------------------|
| <b>Water</b>                     |                |                      |
| <b>Routine</b>                   |                |                      |
| Small Diameter Pipe Replacements | Water Fund     | \$ 75,000            |
| <b>Non-Routine</b>               |                |                      |
| Fiber Optics                     | Water Fund     | \$ 50,000            |
| Clay St line rehab               | Water Fund     | \$ 750,000           |
| Old Intake Pump Rebuild          | Water Fund     | \$ 15,000            |
| Water Supply Expansion           | SRF Loan; SDC  | \$ 300,000           |

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# fleet management

## Fleet Management Fund

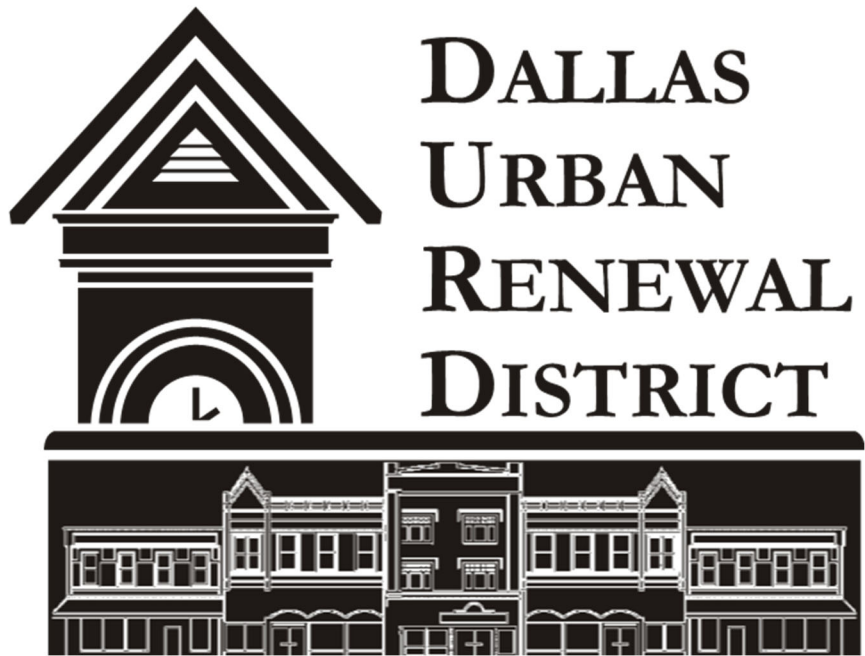
|   | Actual<br>2018-19 | Actual<br>2019-20 | Amended<br>2020-21 | Adopted<br>2021-22 |
|---|-------------------|-------------------|--------------------|--------------------|
| <i>Revenues</i>                             |                   |                   |                    |                    |
| Total revenues                              | 557,433           | 551,120           | 508,000            | 523,000            |
| Beginning balances                          | 389,077           | 353,117           | 397,608            | 390,000            |
| <b>TOTAL - Revenue + Beg Bal</b>            | <b>946,510</b>    | <b>904,238</b>    | <b>905,608</b>     | <b>913,000</b>     |
| <i>Expenditures</i>                         |                   |                   |                    |                    |
| Total Expenditures                          | 593,393           | 506,630           | 580,500            | 589,500            |
| Operating Contingencies                     | -                 | -                 | 292,500            | 323,500            |
| <b>TOTAL - Expenditures + Contingencies</b> | <b>593,393</b>    | <b>506,630</b>    | <b>873,000</b>     | <b>913,000</b>     |



## Fleet Management Capital Improvement Projects

| Project                        | Funding Source                              | Proposed FY<br>21-22 |
|--------------------------------|---|----------------------|
| <b>Fleet Services</b>          |   |                      |
| <i>Public Works Equipment:</i> |   |                      |
| Mini-Excavator                 | Water, Sewer, Street, Storm<br>(\$8,750 ea) | \$ 35,000            |
| <i>Vehicles</i>                |   |                      |
| <i>Public Works</i>            |   |                      |
| Fleet Vehicle w/ Utility Box   | Fleet Fund                                  | \$ 50,000            |
| WTP Pick-up                    | Water Fund                                  | \$ 30,000            |
| Bucket Truck (Man Lift)        | Street 40k; Water 20k                       | \$ 60,000            |

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# urban renewal district

## **Urban Renewal Agency Budget Message by Brian Latta, City Manager 2021-22 Annual Budget**

May 3, 2021

### **To the Urban Renewal Agency Budget Committee Members:**

The Dallas City Council passed an ordinance on September 7, 2004, establishing the Dallas Community Development Commission Urban Renewal Agency. The purpose of the Urban Renewal District is to cure blight by revitalizing the area of the district.

The Urban Renewal Agency is a separate legal entity, with the City Council serving as the Urban Renewal Agency Board of Directors. The Urban Renewal Agency Board of Directors appointed the members of the City of Dallas Budget Committee as the Urban Renewal Agency Budget Committee. The Economic & Community Development Director serves as the staff for and administers the Urban Renewal Program.

This budget reflects the 16<sup>th</sup> year the Agency will receive property tax revenue from the district. The revenue is derived from increasing property value or new construction within the district. The taxes collected are not new property taxes. Rather they are taxes that would otherwise be collected and distributed to the other taxing agencies (i.e. School, County, City, and Special Districts). In 2004 when the urban renewal district was created, the property taxes for the properties inside the district became frozen, meaning the taxing agencies will receive the same amount of taxes from those properties inside the district until the urban renewal district is dissolved. As the property taxes inside the district incrementally grow from year to year, that growth is given to the urban renewal district agency. It is estimated that the agency will collect roughly \$229,000 in property taxes this fiscal year.

The following are projects completed in FY 2020-21:

- Affordable Upholstery Façade Grant (siding and window replacement)
- Courtyard Café Façade Grant (masonry and painting)
- Dallas Cinema Façade Grant (masonry, painting, marquee repair, box office window repair)



## urban renewal district

- Ron Burch Mixed Use Building Façade Grant (stucco repair, trim repair, and painting)
- New Morning Bakery Building Improvement Grant (new bathroom & awnings)
- Dallas Fuel & Food Mart Building Improvement Grant (electrical upgrades, painting, new canopy siding and signage)
- Four Season Styling Minor Improvement Grant (new sign)
- Downtown Barbershop Minor Improvement Grant (new window sign)
- Wards Auction Minor Improvement Grant (painting exterior wall)
- Starlite Lanes Minor Improvement Grant (new rain gutters)
- Tater's Café Minor Improvement Grant (repair main entry door)
- Inner Fuel Services Minor Improvement Grant (replace main entry door)

The following are projects planned for FY 2021-22:

- Continue the Building Improvement Grant program
- Continue the Minor Improvement Grant program
- Complete a market analysis and feasibility study on three vacant properties in the district

Respectfully submitted,

Brian Latta  
City Manager

### **Downtown Development Commission Urban Renewal Agency**

Mayor Brian Dalton

Directors:

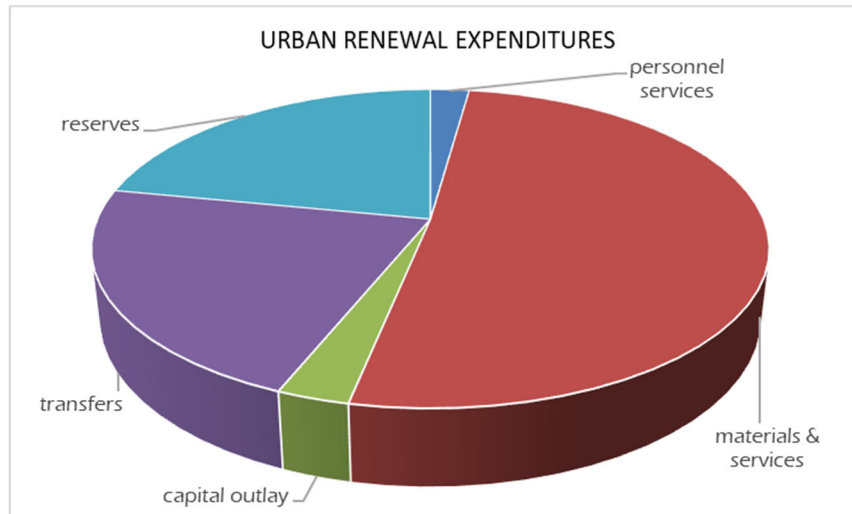
Larry Briggs  
Kirsten Collins  
Terry Crawford  
Rod Dunham  
Kim Fitzgerald

Bill Hahn  
Michael Schilling  
Paul Trahan  
Ken Woods, Jr.

# urban renewal district

## Urban Renewal

| <i>Revenues</i>                             | Actual<br>2017-18 | Actual<br>2018-19 | Amended<br>2019-20 | Adopted<br>2020-21 |
|---|-------------------|-------------------|--------------------|--------------------|
| Total revenues                              | 209,287           | 248,675           | 1,248,500          | 263,500            |
| Beginning balances                          | 450,199           | 454,296           | 465,150            | 360,000            |
| <b>TOTAL - Revenue + Beg Bal</b>            | <b>659,486</b>    | <b>702,971</b>    | <b>1,713,650</b>   | <b>623,500</b>     |
| <i>Expenditures</i>                         | Actual<br>2017-18 | Actual<br>2018-19 | Amended<br>2019-20 | Adopted<br>2020-21 |
| personnel services                          | 15,308            | 22,962            | 33,000             | 12,000             |
| materials & services                        | 44,903            | 56,052            | 155,000            | 246,250            |
| capital outlay                              | 58,590            | 72,424            | 1,135,000          | 35,000             |
| transfers                                   | 86,389            | 86,382            | 161,400            | 151,246            |
| reserves                                    | -                 | -                 | 161,400            | 151,246            |
| Total Expenditures                          | 205,190           | 237,821           | 1,645,800          | 595,742            |
| Operating Contingencies                     | -                 | -                 | 27,700             | 27,758             |
| <b>TOTAL - Expenditures + Contingencies</b> | <b>205,190</b>    | <b>237,821</b>    | <b>1,673,500</b>   | <b>623,500</b>     |



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The City of Dallas operates on a fiscal year that begins July 1<sup>st</sup> and ends June 30<sup>th</sup>. The budget for the current fiscal year was adopted on June 21, 2021 and became effective July 1, 2021.

Anyone can obtain more detailed budget information and a copy of the City's official 2021-22 budget documents from City Hall or online at [www.dallasor.gov/budget](http://www.dallasor.gov/budget). If you have specific questions, contact the Finance Department at 503.623.2338.



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[www.dallasor.gov](http://www.dallasor.gov)