



## CITY OF JACKSONVILLE



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### **BUDGET MESSAGE 2018-2019**

Welcome to the Budget Committee meetings for 2018-2019.

It is our privilege to present the proposed budget for the next fiscal year. As required by law, our budget for the upcoming fiscal year is balanced and it provides for the basic needs and requirements of the City.

This year's preliminary budget meetings started with review of the financial analysis for all departments as well as the five year projections.

Salaries for all personnel are reflected in the budget per the bargaining agreement. The recent negotiations with the Union settled at an increase of 2.2% as well as a few other changes including increasing the cash-outs of earned time off upon termination and also allows employees to cash out some earned time off one time per year. PERS rates increased in July 2017, which has been anticipated and in our three year projections; and are reflected in the budget. PERS will continue to increase.

Other notable changes are as follows:

#### **General Fund:**

We have continued to see an increase in building within the city, therefore related revenues will be increased in the 2018-19 budget. The Planning department is fully staffed and doing a great job under the leadership of our Planning Director, Ian Foster. We will continue to carry a budget item for Contract Services for Planning line item for RVCOG to continue as a resource, as we continue to work through the revisions to the Comprehensive Plan and Land Use Codes through the CCI.

As pointed out over the last few years, the Budget Committee has been working through funding options for the General fund. In December of 2017 the Budget Committee made a recommendation to City Council to implement a \$20 surcharge per month to partially fund the Police Department. City Council voted to implement a Police Protection Surcharge on April 17, 2018 and approved the first reading of the Ordinance on May 1, 2018. The

second reading and adoption of the Ordinance will go before City Council on May 15, 2018, with the surcharge taking effect and beginning on July 1, 2018. All of the resources and expenditures for the Police Department will be moved to a Police Protection Fund. \$285,000 will be transferred in to the Police Protection Fund for the remainder of the funding. The General Fund is the only Fund within the City Budget that can support other Funds and the main source of revenue for the General Fund is property taxes. With over 90% of the property tax revenue funding just the Police Department, the General Fund has not been able to support other Funds within the City Budget. The implementation of the surcharge will enable the General Fund to begin building reserves and support the other Funds as it is designed to do with property tax revenue.

**Police Protection Fund:**

The Police Protection Fund will be established in the FY 2018-2019 budget. The Police Protection Surcharge will generate \$400,000 and the General Fund will transfer in \$285,000, which will pay for the operations of the Police Department at the same staffing and level of service for the citizens. There will be a Surcharge Relief Program put in place and City Staff will be publicizing the Relief Program to bring awareness to the citizens that there are options.

**Fire Protection Fund:**

The budget continues to reflect the \$35 surcharge. While sustaining the fund it is not building capital for the future. The General Fund will transfer \$50,000 to the Fire Protection Fund to begin building capital reserves. City Staff will be looking at the Surcharge Relief Program to see where we can assist citizens more and will be publicizing the Relief Program better to bring awareness to the citizens that there are options.

**Cemetery Fund:**

The survey and mapping work is still in process on the 11 acre parcel. The City will be doing some Cemetery restoration and the Cemetery gate is being replaced. The General Fund will transfer \$10,000 to the Cemetery Fund to help with the overall needs of this Fund.

**Street Fund:**

The street fund remains in decent shape. We replaced one Public Works fleet vehicle and will be replacing the backhoe. The City will be doing some major street work over the next few years, therefore the General Fund will transfer \$100,000 help with this street work. The City is also receiving two Small City Alottment grants in the amount of \$50,000 each for Applegate Street and Shafer Lane.

**Water Fund:**

Per the ordinance in 2017, the base water rate will be increased by \$1 each year, in July. We continue building capital in the reserves for the major projects identified in the Water Master Plan. The City has qualified for a loan from Safe Drinking Water Revolving Loan Fund in the amount of \$2,600,000 at 1% interest, with \$750,000 loan forgiveness, to work on some of the projects identified in the Water Master Plan. The payment on this loan will begin in FY 2020-2021 and will be \$75,000 per year. Meter replacement has continued, to

complete the radio meter read program. Additional projects will continue this next fiscal year based on their priorities.

Our Public Works Clerk will be retiring this year. We have hired a full-time Public Works Clerk and started the training for an easier transition June. We also have a part-time Utility Clerk, who works with customers on their bills.

**Parks & Visitor Services Fund:**

We will need to keep a close eye on the Parks Fund as it is slowly depleting as shown in the 5 year projections. The General Fund will transfer \$75,000 to the Parks Fund to sustain this fund for a longer period of time.

**SDC Fund:**

SDC funds have been used for water lines and water rights; and the Main Street parking lot project has been completed. The SDC Fund is sustainable even after these capital projects.

**Capital Project Fund:**

This Fund will continue to be utilized for ongoing projects that have been designated, such as the elevator for the 2<sup>nd</sup> floor of the courthouse, which is still in progress. As you will see with the Urban Renewal tax increment revenue, we will be paying the loan off two years early in this fiscal year.

**Urban Renewal Fund:**

The tax increment revenues continue to build. We were able to make an additional payment on the Umpqua loan for Urban Renewal Projects in FY 2016-17 and in FY 2017-18, and as noted above, will be paying the loan off two years early this fiscal year. Now is the time to start looking at the projects listed in the Urban Renewal Plan to make a decision about potentially beginning another project.

With ongoing efforts this year's budget continues to reflect how well City staff and Department Heads are doing to manage their prospective budgets.

We had some funding decisions to make in regards to future funding and worked diligently with the Budget Committee to address these issues over the past year. We have **SUCCESSFULLY WORKED** to put funding in place to keep a sustainable budget for many years.

Now let's begin!