

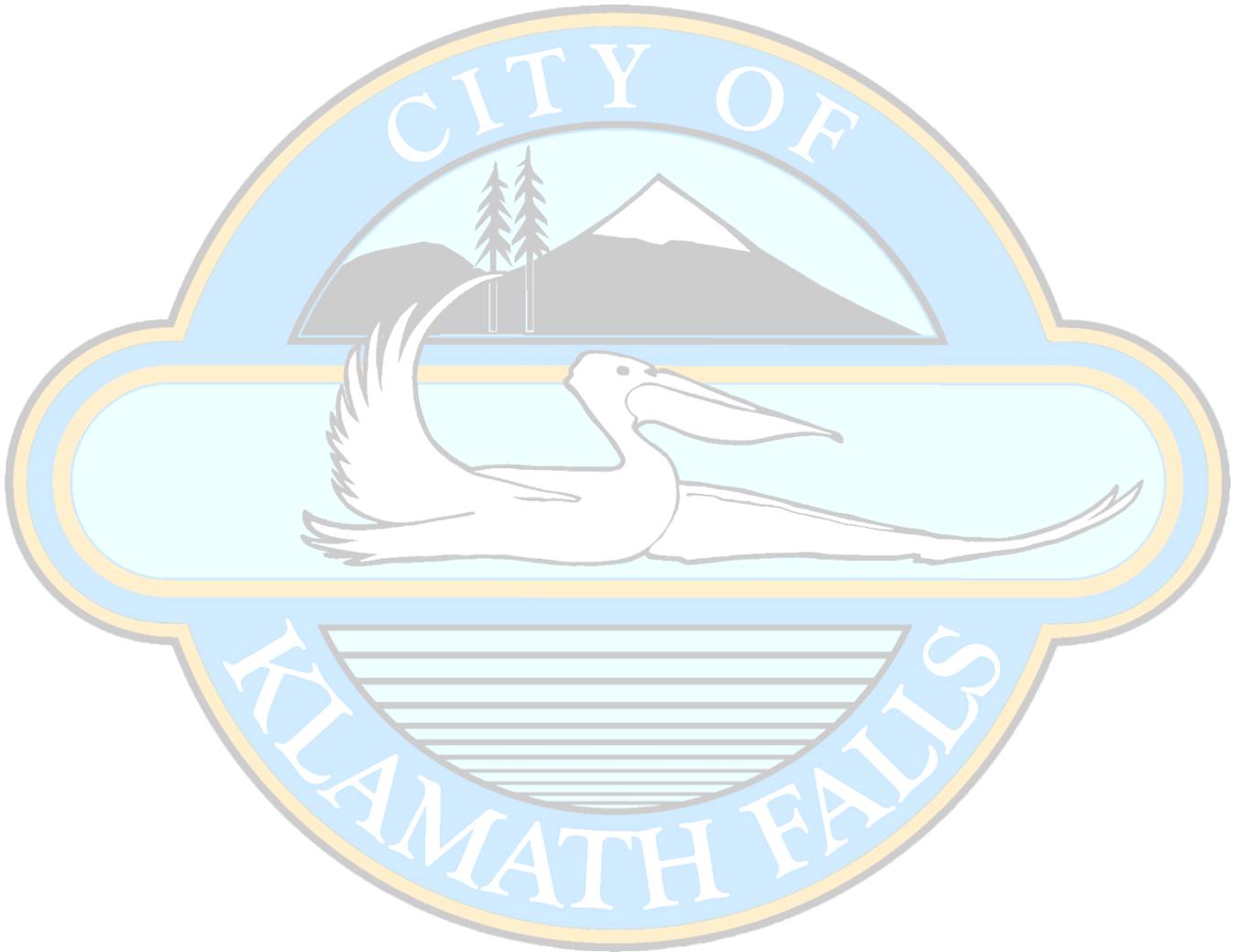
B U D G E T



CITY OF
KLAMATH
FALLS

2018-2019





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Table of Contents

Introduction	1
- Klamath Falls, Oregon Profile	2
- Member/Employee Introduction	3
- City Organization Chart.....	4
City Manager Budget Message	5
Budget – Schedule of Events	11
- Budgeting Principles and Assumptions	12
- Budget Process.....	14
- Overall Staffing Comparison F.T.E. Positions.....	16
- Description of Budget Categories – Resources.....	17
- Description of Budget Categories – Requirements	18
- Resources Chart	19
- Requirements Chart	20
- Schedule of Net Working Capital	21
- Schedule of Transfers.....	22
- Major Capital Projects Budgeted	23
- Budget Summary – All City Funds Combined	24
General Fund	25
- Municipal Court	27
- City Administration	29
- Legal (Inactive)	31
- Finance	32
- Support Services	35
- Technology Services	38
- Public Works Administration.....	41
- Development Services	43
- Police	46
- Code Enforcement	49
- Legislative	51
- Maintenance	53
- Facilities Maintenance	55
- Parks	56
- Ella Redkey Pool	60
- Streets	63
- Vehicle Maintenance	67
- Street Lighting	69
- Unallocated Requirements	71

Airport Fund	73
- Operations Division	75
- FAA	78
- Unallocated Requirements	79
Parking Fund	81
- Parking	83
- Unallocated Requirements	85
Wastewater Fund	87
- Collections.....	89
- Treatment	93
- Utility Billing.....	96
- Unallocated Requirements	97
Water Fund	99
- Operations Division	101
- Utility Billing.....	106
- Geothermal	109
- Unallocated Requirements	111
Other Funds	113
- Downtown Maintenance District.....	114
- Economic Development Fund.....	116
- Capital Projects Fund	117
- Escrow Reserve Fund	118
- Debt Service Fund	119
- BINET Fund.....	120
- Veteran’s Memorial Agency Fund	121
Inactive Funds	123
- Parks Fund.....	124
- Streets Fund	125
- Street Lighting Fund	126
- Cogeneration Fund	127
- Technology Reserve Fund	128
- Footpaths/Bicycle Trails Fund.....	129
Resolutions, Public Notices, and Tax Certification	131



Vision

The City of Klamath Falls is a vibrant, cohesive community built on a strong economic base which balances urbanization with its existing historic character and values.

Mission Statement

To further the vision, the City of Klamath Falls provides essential services and infrastructure to promote the social and economic health of the community. The role of the City Council is to provide the leadership necessary to fulfill this mission.

City Council's Goals and Objectives

Goal 1: Citizens feel safe and secure in their homes, work sites, and public places

- Address blighted properties
- Community standards for behavior
- Focus on neighborhoods
- Proactive policing and code enforcement

Goal 2: Customer Service

- Improve face-to-face interactions
- Invest in tools to make residents' interactions with the City easier, streamlined and more convenient
- Be prepared so we can serve in emergencies

Goal 3: Economic Viability/Community Livability

- Invest in appropriate infrastructure improvements
- Support new and existing businesses
- Reduce barriers and streamline processes
- Work cooperatively with others to address community challenges
- Fiscally wise



Klamath Falls, Oregon Profile

The urban growth area of Klamath Falls accommodates approximately 45,000 residents, which includes 21,520 residents of the City of Klamath Falls.

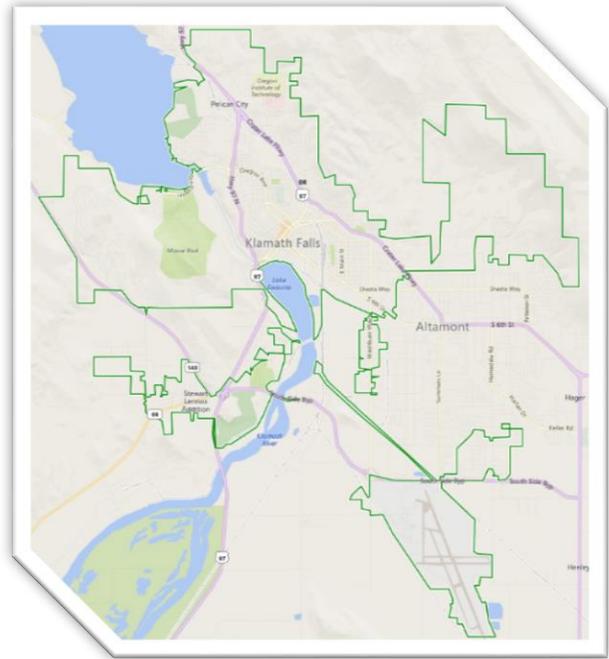
Date of Incorporation: 1905

Form of Government:

Council/Manager. The Council/Manager form is the system of local government that combines the strong political leadership of elected officials with the strong managerial experience of an appointed local government manager.

Recreation:

The City Parks system consists of 30 areas totaling 700 acres. These are mini, neighborhood, or regional parks, with special use areas, natural open space and landscape areas.



Transportation:

The City is served by Burlington Northern-Santa Fe Railroad, Union Pacific Railroad and Amtrak. Passenger vehicles and truck lines have easy access through the City along U.S. Highway 97 and Oregon Highways 140, 66 and 39. Interstate 5 is 59 miles to the west along Highway 66. The City owns the Crater Lake – Klamath Regional Airport, although there is no current commercial air service provider.

Education:

The Oregon Institute of Technology (OIT) was founded in 1947 and is the Pacific Northwest's premier public institute of technology. OIT is a four-year, accredited college located in Klamath Falls. It offers both bachelor's and master's degree programs. OIT serves approximately 5,490 students University-wide, with the Klamath Falls campus count at about 2,207 students as of Fall 2017. Klamath Community College (KCC) was established in 1996 as a local community college. It offers a two-year associates program and a variety of community courses, as well as a transfer program to four-year institutions. KCC provided learning opportunities to 6,094 unique individuals during the 2017-18 academic year by providing instruction in community education, workforce training, adult high school/general education development, English as a second language, college credit, and dual credit.

The City's relationship with the 173rd Fighter Wing of the Air National Guard is very positive and we are confident of the Guards' continued and enhanced mission in Klamath Falls.



City Council



**Carol Westfall
Mayor**



**Phil Studenberg
Ward I**



**Kendall Bell
Ward II**



**Matt Dodson
Ward III**



**Dan Tofell
Ward IV**



**Bill Adams
Ward V**

City Directors



**Nathan Cherpeski
City Manager**



**John Barsalou
Airport Director**



City Attorney



**David Henslee
Police Chief**



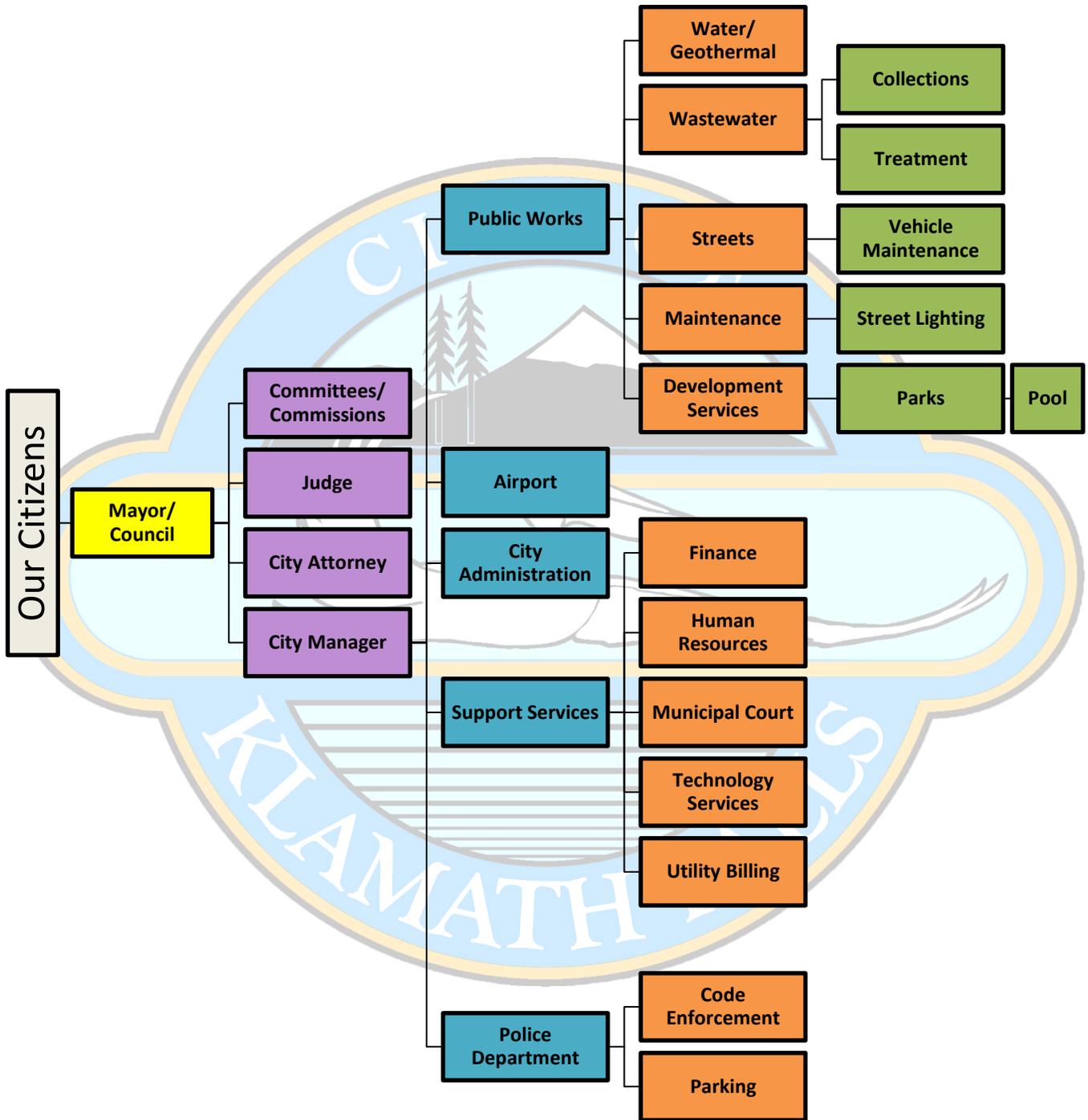
**Mark Willrett
Public Works
Director**

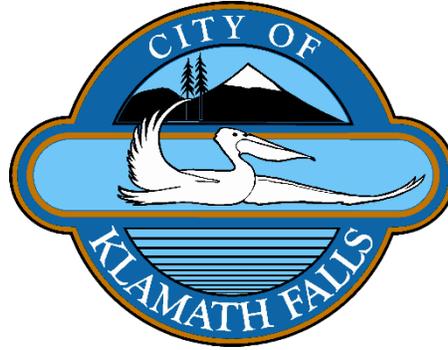


**Brooke Marshall
Support Services
Director**

Budget Committee

Mike Angeli Andrew Biggs Kristen Hiatt Bob Millard Richard Rico





Office of the City Manager

May 15, 2018

Dear Members of the City of Klamath Falls City Council, Budget Committee and citizens of Klamath Falls, Oregon:

In accordance with ORS 294.403 and the City Charter, I submit a proposed budget for fiscal year 2019. The City's total proposed appropriations, including contingency for the upcoming year are \$68,785,125.

A City allocates resources to match the community's priorities, but there are always far more needs and wants than available revenues. In balancing the needs and wants with revenues, budget committees weigh the relative merits of proposals and allocate resource based on community priorities. Due to Oregon's property tax rules, it is highly unlikely that we will see rapid recovery of our tax base.

For the last several budget cycles, the City has made efforts to address a structural imbalance between the City's expected revenues and projected expenditures. The City has implemented changes and has restructured to address this problem. While our proactive decisions have helped, we still face challenges from increases in PERS, health care, and service expectations. City staff continue to explore options and take steps to address the structural imbalance. However, as the City has no control over PERS, our ability to address these issues is very limited. I will address the future challenges from PERS further into this message.

In preparing this budget, staff focused on Council's key priorities.

- Citizens feel safe and secure in their homes, work sites, and public places
- High Quality Customer Service
- Economic Viability/Community Livability

Cities were formed to provide services to residents such as law enforcement, water and wastewater utilities, parks, and streets. They also were established to create a sense of community. Providing the basic services while keeping in mind the necessity to play our part in fostering community, can be a tug of war. Sometimes the items that are most important to our citizens evolve over time. As an

organization, we must adjust to keep up with those changing desires while striving to be innovative in how we offer required services.

In developing budgets, we attempt to provide the necessities and if possible, respond to the “wants” for other services. This is not always possible given resource constraints; however, sometimes those desires present new ways of thinking in how we provide basic services. Staff used the following guides to assist in our budget creation:

- How do we maximize existing resources?
- How do we utilize technology to better provide these services?
- Where can we realize efficiencies, and streamline processes?
- Finally, are there investments we should make that can leverage other improvements in the Community?

How do we maximize existing resources?

Because good ideas will always outpace resources, the City must balance new initiatives and ideas with existing capacity. Delivery of direct services such as law enforcement, parks and streets requires a support network. While not direct services to citizens, the services provided by Finance, Administration, Legal, Human Resources, and Information Technology are all vital to support direct service delivery. Over the last several years, driven by revenues that have not kept up with growth in costs, the City reduced employees and resources spent in these support areas. We have fewer Department Directors and support staff. While these savings allow us to place more resources directly towards customer service, they come at a cost. While we strive to be efficient, these past consolidations do impact our ability to support Council initiatives and citizen requests.

Staff is exploring two ideas that may assist in this goal. First, moving to a biennial budget (major budget work done once every two years with a reduced mid-cycle update) and a priority based budgeting model. A biennial budget would reduce staff time in the off year allowing the City to use those resources for furthering other cost saving items. Secondly, I believe we should begin exploring the use of a more in-depth priority based budgeting model. This requires some foundational work to be completed first. **“Priority Based Budgeting** provides a comprehensive review of the entire organization, identifying every program offered, identifying the costs of every program offered, evaluating the relevance of every program offered on the basis of the community's priorities, and ultimately guiding elected and appointed officials.” (pbbcenter.org) City functions are broken down into discreet components well below the department level. For instance, you don't just fund police, you choose to fund specific actions the police take. You don't fund parks, you choose to fund specific functions of parks. This would be new for us but is spreading across the country. It focuses our resources to the areas the community values most. It takes staff time to set this up. A biennial process may allow us to implement this idea as well.

How do we utilize technology to better provide these services?

Rapidly changing technologies and best practices from communities continue to drive change in this area. The Tyler Technology software, while worlds better than its predecessor, still has areas that fail to provide efficiencies for the City. Some of those issues relate to the software itself and some come

from our own internal processes. Separating those issues is difficult. One decision may be to keep the core financials but look at other software to meet specific needs. Newer software packages on the market appear more flexible and could allow us to automate processes more fully. However, we will need to honestly look at our processes and be willing to change how we function to take advantage of any software. Because software and technology change quickly, we probably will not “purchase” software of this type again in the traditional sense. Most likely, we will use software as a service where we pay for annual usage, i.e., it will be on the cloud. The advantage of this approach is we don’t have to support the physical infrastructure and most contracts guarantee you the latest version of the software without the need to purchase updates. This budget includes funding to automate business license processes and improve our development services and code enforcement processes, modernize our HR functions, and provide a citizen reporting app for smartphones and tablets allowing citizens to easily report concerns and items that need to be fixed. The budget also includes funding for several part-time positions, including an IT staff person to help implement these types of projects.

Where can we realize efficiencies and streamline processes?

Much of our effort in this area is related to technology and process. Staff are actively looking at practice/process to see what can be changed or eliminated. In some instances, we need to change our process wholesale so it can take advantage of the software.

Finally, are there investments we should make that can leverage other improvements in the Community?

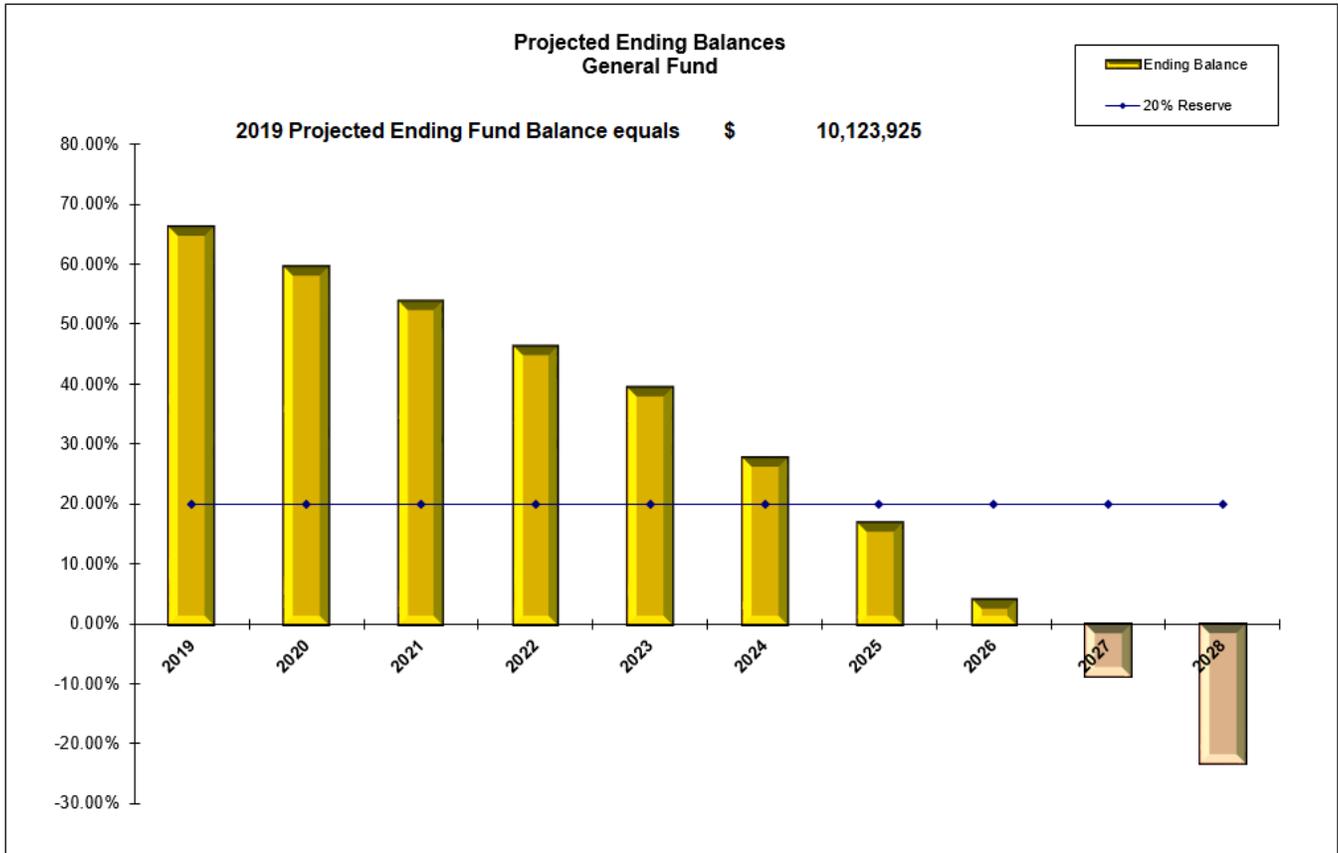
While much of the above is focused on internal improvements to improve service delivery, we can make investments with partners to improve the community. This budget includes funding, from the on-going COGEN sale of effluent, for façade efforts in the community, one or two significant façade projects in the downtown area, resources for economic development efforts, monies to support the development of sidewalks around the new downtown park, partnerships with Sky Lakes, Oregon Tech and possibly the county for intersection improvements in the Campus Drive area, and a request to assist with funding for Blue Zone efforts. Both Sky Lakes and Oregon Tech are investing in that area and our help can improve the overall solution. I have included seed money to support work force housing needs and efforts. Finally, the budget includes some funding to explore new software for specific departments.

General Fund Outlook

The Chart below shows our projected net working capital for the General Fund if this budget is fully implemented. While we have made great improvements in the last few years, the slope of the chart shows a steeper decline than years past driven primarily by PERS (increase next year of nearly \$600,000 citywide) and healthcare costs. I include a discussion about PERS below.

If all expenditures for general fund capital are removed from the model after the five-year CIP schedule, the chart doesn’t go negative in the projection but still has a downward trend. The downward slant is driven primarily by personnel costs. Since failing to invest in our infrastructure and police fleet is not realistic, staff recommends maintaining our existing infrastructure focus. For streets, this will require some discussion on new revenues. Due to the condition of existing infrastructure with its accumulated deferred maintenance, we simply can’t afford to improve it within our current revenue streams. An ordinance creating a new revenue stream for streets work has been introduced. That

revenue would allow the city to continue putting funds into our streets. The Chart assumes the new franchise fee at 3.5% escalating to 7% to match other franchise utilities at year five. Total street capital in the 10 years is more than \$20,000,000. This is about \$12,000,000 more than our prior 10-year average would have supplied.



PERS

The single biggest driver to the steep decline is PERS. The current biennium included a \$400,000 per year increase in PERS payments. The next biennium will see a \$587,000 increase. For the General Fund the increases were approximately \$300,000 and \$430,000. In FYE 2015, we spent \$741,000 citywide for PERS. As projected now for FYE 2020, we will be paying around \$1.8 million. These increases have erased much, if not all, the cost savings we have created in the last five years. Based on current projections, PERS will eclipse healthcare in total cost to the city in the next ten years. Based on information from the Governor’s Task Force, I have increased our projected increases in the out years. It is simply unsustainable. The Governor’s Task Force estimated employer rates to peak in 2029-2031. The Unfunded Actuarial Liability (UAL), the amount the actuary believes we are short to fund future benefits, will peak in 2019-2021. “It is largely those Tier One employees who retired in the 1990’s and early 2000s whose benefits are driving the UAL. (2017 PERS UAL Task Force Final Report, 4). Because 65% of the debt is tied to current retirees, even eliminating the plan doesn’t help. As a PERS member, we don’t have many options. If side accounts are funded with a state match, we would recommend placing some money in a side account for the future to temper our increases.

Budget Proposal

The City continues to operate under a soft hiring freeze, essentially requiring a City Manager review, prior to refilling any position. The City must be strategic in which positions it refills, eliminates or adds. Some positions, although accounted for in the General Fund, generate their own revenue streams. For example, Engineering and Maintenance staff track and charge time to other funds such as Water and Wastewater. City Attorney, City Administration, and Support Services' staff allocate a portion of their time based on things such as total number of employees, number of transactions and expenditures to other funds.

For funds other than the General Fund, the City charges administrative fees. We charge fees based on the most recent audited expenses available. While this creates some lag time with respect to savings or increases, it offers greater clarity into why certain fees are charged to outside funds. Administrative service fees include such costs as:

- processing payroll
- invoices
- collecting revenues
- job recruitments
- human resources
- administrative support
- recordkeeping
- legal

City staff members are committed to reducing overhead costs and internal service charges wherever possible. This allows more resources to be used for direct service delivery; however, there will always be some level of internal service charges.

Personnel

Staffing levels remain relatively flat and will stay so for the foreseeable future with the potential to decrease. Historically, the City's expenditures followed available revenues. As revenues increased, staffing levels mirrored the rise in revenues. In 2008, the City reached a peak of 169 full-time equivalents (FTE). Since 2008, the City has decreased by 13 FTE. This proposed budget shifts one full-time position from the Pool to Support Services. This resource will serve a city-wide function and not a department specific need as it once did. Additionally, we are exploring the use of part-time help or contracts to limit healthcare and PERS impacts.

Long Range Planning

As discussed above, the City uses a 10-year model to analyze projected expenditures and revenues. Our planning also includes maintaining larger capital investments into Streets, Water and Wastewater. If we can maintain the levels of investment in streets for the next ten years we should be able to stabilize the decline and slowly reduce some of the deferred maintenance that exists. We anticipate large PERS increases in the out years of this plan and recognize that we have no control over those expenses. We are taking steps to try and contain health care costs. Some of those steps require negotiation with our unions.

Revenue

Property taxes for the proposed Fiscal Year 2019 budget are based on the City's permanent property tax rate of \$5.4423 per \$1,000 of assessed value, before tax rate compression. Estimates for current property taxes for FY 2019 are \$6,690,800; when compared to FY 2018 estimates, the increase is 2.2%. Residential property values have stabilized and are recovering. Commercial property values also appear to have bottomed out with the latest correction. These realities are reflected in our relatively flat revenue estimates in the immediate future.

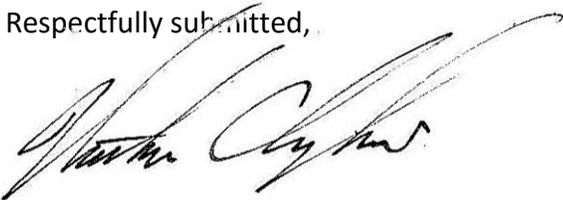
Intergovernmental estimates for FY 2019 are \$9,441,525, which is a 6% decrease over FY 2018 estimates primarily driven by the completion of the Airport's Taxiway B. Intergovernmental shared revenue increased 22% compared to FY 2018 estimates with the majority due to the gas tax increase. Other intergovernmental revenues are for grants as follows: Parks \$604,300; Streets \$2,207,500; Airport \$3,238,125; and Economic Development \$90,000.

Franchise fees estimates increased 14% for FY 2019. The primary increase is the new Water and Wastewater franchise fees but also includes other increases and decreases such as a 1% increase in Pacific Power, 1% increase in other communications, 25% decrease in Avista, 3% increase in Waste Management, 1% increase in Charter Cable, and a 10% increase in Century Link.

Conclusion

While we have taken strong steps in the past few years, PERS and healthcare increases will continue to drive changes for the City. Dedicated streets funding will help stop the downward slide in our streets but we will only see minor improvements to the Pavement Condition Index (PCI). Staff will continue to analyze and investigate opportunities to improve our community. The new normal for Klamath Falls means the City will no longer be able to offer services without regard to cost. PERS, health insurance, Citizen and employee expectations, and service demands will continue to present challenges for the future.

Respectfully submitted,



Nathan Cherpeski
City Manager



Schedule of Budget Events

City Recorder Prepares & Publishes Notice of Hearing *	May 9, 2018 May 10, 2018 (web)
Proposed Budget to Committee	May 15, 2018
Budget Committee Hearing	May 22, 2018
Notice and Summary to Herald & News	June 5, 2018
Finance Department Prepares & Publishes the Notice & Summary **	June 12, 2018 (newspaper)
Agenda Reports Completed	June 8, 2018
Budget Adoption	June 18, 2018
<p>* The notice may be published in the newspaper 5-30 days prior to the hearing if it is also published on the City website at least 10 days prior to the meeting. The newspaper ad published must include website address.</p>	
<p>** The Summary and Notice is only required to be published one time and there is no internet publication option. The summary and hearing notice are published not less than five days or more than 30 days before the budget hearing.</p>	



Budgeting Principles and Assumptions

Investment Policy

The City Investment Policy stresses, in order, safety, liquidity, and return. Funds held by the Oregon State Treasury are approximately \$22.2 between the LGIP and the Oregon Local Government Intermediate Fund (OLGIF). The current LGIP rate is at 2.1%, but investment yields for this budget use a conservative 1.85% annual average earnings rate because of an expected decrease over the next year. The City also has approximately \$27.5 million of mid to longer term financial instruments invested from available cash from the General, Wastewater, and Water funds that are currently yielding higher rates and is also budgeted at 1.85%. All operating investments of the City follow the guidelines set forth in ORS 294 as it relates to allowable investments and maturity.

Budget Policies

According to the City financial policies, the City will live within its means and strike a balance between revenue and expenditures where possible, so that the public can realize the benefits of a strong and stable government. This budget has been prepared under a premise of long term viability. The budget policies also state that a five-year Capital Improvement Program (CIP) will be prepared and updated each year. This budget includes the CIP for the current year. The City uses a 10-year forecasting model including the 5-year CIP to look at the long-term viability of the City.

Debt Management Policy

It is the City's policy to fund capital projects, when possible, with existing revenues and grant funds. In the case of the Water, Wastewater, and the Airport Funds, the City Council deemed it necessary to incur long-term debt. The City has used long-term debt to upgrade those facilities and bring the infrastructure to an acceptable standard. It is the City's Policy to maintain total general obligation debt at one percent or less of the City's assessed value. The City has accomplished this goal since staff began tracking debt to assessed value in June of 1989.

Fund Balance Policy

The City's Fund Balance Policy is to maintain a minimum fund balance of 20% of the annual operating expenditures in the General Fund, a minimum of 10% of annual operations in the special revenue funds that receive property tax and a minimum fund balance of 15% in the enterprise funds.

Performance Measures

Individual divisions/departments use goals as a basis for establishing work plans for the year. Staff will focus on measures that indicate a wise and prudent use of funds while attaining City Council's goals.

Basis of Accounting

The City of Klamath Falls utilizes the modified accrual basis of accounting for monthly reporting and budgeting purposes and adjusts to the full accrual method of accounting to report on its financial position, along with the results of its operations at fiscal year-end.

The level of control established by the adopted budget is fund, department/division (which includes personnel services, materials and services and capital outlay categories), transfers, debt service, unappropriated, contingency and reserved for future requirements. Equal transfers between personnel services, materials and services and capital outlay within a single department/division are approved by the Support Services Director or the City Manager. All other supplemental budgets and transfers of appropriations require special approval from City Council as described in The Budget Process section.

Managers are responsible for reviewing their budgets monthly to ensure expenditures do not exceed City Council approved appropriations. In addition, the Finance Division performs a quarterly analysis of budget-to-actual figures to ensure that spending has not exceeded earlier estimates, which is then presented to Council. Finally, approval for expenditures over \$25,000 requires action from City Council.

Personnel Services Assumptions

Wage increases in this budget vary for each classification within the City. Employees at the Police Department who are covered by the Teamsters contract are currently budgeted to receive a Cost Of Living Adjustment (COLA) of 3% effective July 1, 2018, however we are currently in negotiations with Teamsters and will have exact numbers after negotiations have been completed. Employees covered by the AFSCME contract will receive a COLA of 3% effective July 1, 2018. Non-represented employees are part of a pay for performance evaluation system. They are eligible to receive an increase based on the overall rating in the performance evaluation, which ranges from 0% to 4% based on their current performance and their current salary level relative to comparative positions within the labor market.

The majority of our employees are covered by Citycounty Insurance Services (CIS) Medical Plans and these plans will increase 12.8% effective January 1, 2019. The City and employees continue to make changes to reduce the cost to the City. In this budget, the non-represented employees continue with the plan change from last year of a higher deductible and a 16/84 split. The current AFSCME contract limits the City's contribution for coverage to a maximum of \$1600 per month, as of January 2019 (December 2018 payroll) both Employee + Family and Employee + Children will hit this maximum resulting in the City's split for these coverages being less than the 13/87 split. For the Teamsters medical plan, we have assumed an 8% increase effective January 1, 2019 in this budget document. The actual numbers for Teamsters are not available until November or December 2018.

PERS rates are changed each biennium. The City's new rates for fiscal years 2017-2019 resulted in an estimated weighted average increase of 49% for our current employee base. Tier 1 & Tier 2 employer contributions increased from 11.45% to 16.09% of eligible salary, an increase of 40.5%. Oregon Public Service Retirement Plan (OPSRP) for Police Personnel increased from 8.48% to 11.68% of eligible salary, an increase of 39.9%. And finally, OPSRP for non-Police Personnel increased from 4.37% to 7.09% of eligible salary, an increase of 62.2%. Based on next biennium projections, we have anticipated a 40 percent increase in the next biennium for our 10-year model with large increases in the out years since it creates a significant increase in Personnel Services across the City. The PERS deficiency is a major contributor to rising costs for all public entities in Oregon.



Budget Process

1. Appoint Budget Officer. As designated in the City’s Charter, the budget officer is the City Manager. **ORS 294.331**

2. Prepare Proposed Budget. The budget is prepared under the direction of the City Manager. **ORS 294.426**

3. Publish Notice of Budget Committee Meeting. The notice of budget committee meeting is published twice in the Herald and News separated by no less than 5 days with the first publication being no later than 30 days prior to the meeting and the final publication being no earlier than 5 days prior to the first meeting. Alternatively, one publication in the Herald & News not more than 30 days prior plus posting on the City’s website not more than 10 days prior to the budget committee meeting. Newspaper notice must contain Internet Website address at which the notice is posted. **ORS 294.401**

4. Budget Committee Meets. When the proposed budget is provided to the budget committee members, it then becomes a public record and a copy is available for public inspection at City Hall (500 Klamath Ave). The proposed document can be distributed at any point prior to the first meeting. The budget message, which is delivered at the first meeting, explains the proposed budget and significant changes in the City’s financial position. The budget committee may meet as many times as necessary to go through the budget and make any revisions they deem appropriate. Budget committee meetings are open to the public. **ORS 294.426**

5. Budget Committee Approves Budget and Authorizes the Levy of taxes. When the budget committee is satisfied with the proposed budget, including any revisions, it is then approved. **ORS 294.428**

6. Notice of Budget Hearing Published. After the budget has been approved by the budget committee, a budget hearing must be held and a summary of the budget must be published in the Herald and News 5 to 30 days prior to the scheduled hearing date. **ORS 294.438 & ORS 294.448**

7. Budget Hearing. The purpose of the budget hearing is to listen to citizens’ testimony on the budget approved by the budget committee.

ORS 294.453

8. Adopt Budget, Make Appropriations & Impose Taxes. The resolution to formally adopt the budget must occur no later than June 30. This resolution, when signed, gives the City the authority to spend the funds appropriated in the Proposed Budget beginning with the new fiscal year (July 1).

ORS 294.456

9. File Budget & Certify Levy. The City must deliver two copies of the Proposed Budget to the County Assessor for filing and certification of the tax levy by July 15.

ORS 294.458

When the above steps are completed and the new fiscal year has begun, the City is limited to spending only the amounts appropriated in the Proposed Budget. If it becomes necessary to exceed those amounts, the City will either need to make appropriation transfers or prepare a supplemental budget.

Transfers - Appropriation transfers are enacted by a Resolution and can occur either within a fund or from one fund to any other fund. Transfers from Contingency may not exceed 15% of fund appropriations.

ORS 294.463

Supplemental Budgets – The City may amend the current budget by adopting a supplemental budget at a regular public meeting which was published not less than 5 days prior if the expenditures being adjusted are 10% or less than the annual budget of the fund being adjusted. If the expenditures are greater than 10%, the supplemental budget must be published and a special hearing held.

ORS 294.471

The final phase of the budget process is an audit of the previous fiscal year. The auditor examines the financial records and activities of the City and prepares an audit report. The audit report is included in the financial statements and gives the auditor’s opinion of the financial statements. The report also contains the auditor’s comments on the City’s compliance with legal requirements.



Overall Staffing Comparison F.T.E. Positions

DEPARTMENT	Actual FY 08	Actual FY 09	Actual FY 10	Actual FY 11	Actual FY 12	Actual FY 13	Actual FY 14	Actual FY 15	Actual FY 16	Actual FY 17	Actual May 1, 2018	Proposed FY 19
01 Municipal Court	3.50	3.50	3.25	3.25	3.00	3.25	3.25	3.30	2.40	2.40	2.37	2.40
02 City Administration	4.50	4.50	4.50	4.50	4.50	3.75	3.75	5.00	5.00	4.70	4.50	5.00
03 Legal	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.70	1.70	1.00	-	-
05 Finance	7.00	7.00	8.00	8.00	7.00	7.00	6.00	6.50	6.00	6.00	6.00	6.50
06 Support Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	4.50
07 Technology Services	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	3.50
08 Planning	6.17	6.17	6.17	6.17	4.92	4.67	4.50	2.00	-	-	-	-
09 P.W. Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
10 Development Services	-	-	-	-	-	-	-	-	8.50	8.00	8.05	9.50
11 Police	45.00	43.00	45.00	45.00	42.00	41.00	40.00	39.00	41.00	40.00	36.00	40.00
12 Code Enforcement	3.33	3.33	3.33	3.33	2.33	2.33	2.00	2.00	2.00	2.00	2.00	2.00
13 Legislative	-	-	-	-	-	-	-	-	-	-	0.70	0.70
14 Maintenance	11.00	11.00	10.00	10.00	10.00	10.00	10.50	10.00	10.00	10.00	8.00	10.00
16 Cemetery	3.40	3.40	2.00	-	-	-	-	-	-	-	-	-
30 Airport	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	6.00	6.00	6.00	6.00
40 Parks	5.60	5.60	6.00	8.00	8.25	8.25	6.75	6.30	6.00	6.00	5.00	6.00
41 Pool	-	-	-	-	-	-	5.00	3.20	4.25	6.60	6.86	6.00
50 Streets	11.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00	10.00	9.00	10.00	10.00
51 Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
60 Parking	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
81 Wastewater Collections*	15.67	15.67	15.67	15.67	15.67	14.67	14.67	11.67	11.64	13.67	9.00	9.00
82 Wastewater Treatment*	-	-	-	-	-	-	-	-	-	-	5.50	6.50
85 Water	14.83	15.83	12.39	13.00	12.08	12.08	12.08	12.58	12.86	12.83	13.50	13.50
86 Utility Billing	11.50	11.50	11.75	11.75	11.00	11.00	11.00	10.00	10.00	10.00	10.00	10.00
87 Geothermal	-	-	1.44	0.83	0.75	0.75	0.75	0.25	-	-	-	-
P.W. Engineering	9.50	9.50	7.50	7.50	7.50	6.50	6.50	5.50	-	-	-	-
TOTAL	169.00	168.00	166.00	166.00	157.00	153.00	154.50	144.00	147.35	148.20	144.48	157.10

* For FY 18-19 budget we began tracking 81 Wastewater Collection and 82 Wastewater Treatment FTE's separate to show the same format as other departments. For FY17 and older these are tracked together in 81 Wastewater Collections.



Description of budgeted categories Resources

Resources	Description of Budgeted Categories
Net Working Capital	The sum of cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, and prepaid expenses less current liabilities, carried forward from the previous year.
Taxes	Includes property taxes. Beginning with fiscal year 1998, the City of Klamath Falls has had a permanent tax rate of \$5.4423 per \$1,000 of assessed valuation.
Special Assessments	Assessments for improvements on benefited properties.
Charges for Services	Includes charges for services provided to citizens (primarily water and wastewater services) and internal service charges amongst City funds for administration, maintenance and engineering costs.
License/Fees/Permits	Parking passes, occupational licenses, amusement licenses, alcoholic beverages applications, etc. that authorize an activity in compliance with City Code.
Intergovernmental Revenues	State Shared Revenue, Hotel/Motel Tax and grants from other governmental agencies such as the County, State, or Federal Government.
Franchise Fees	A City charge against the gross revenues of utility companies that service the residents of the City. These payments include electricity, natural gas, telephone, cable TV, fiber, and solid waste disposal.
Fines & Forfeits	Municipal Court, Police Training Fund, Nuisance Abatement, Parking Fines, Drug Enforcement.
Investment Income	Income earned from investing surplus cash to enhance the City's financial position.
Other Revenue	System development charges (SDC), donations and other various activities not reported elsewhere.
Transfers In/Inter-fund Loans	Amounts distributed from one fund to finance activities in another fund; shown as revenue in the receiving fund.
Other Financing Sources	Includes proceeds from the disposition of general fixed assets and resources provided from issuance of debt.

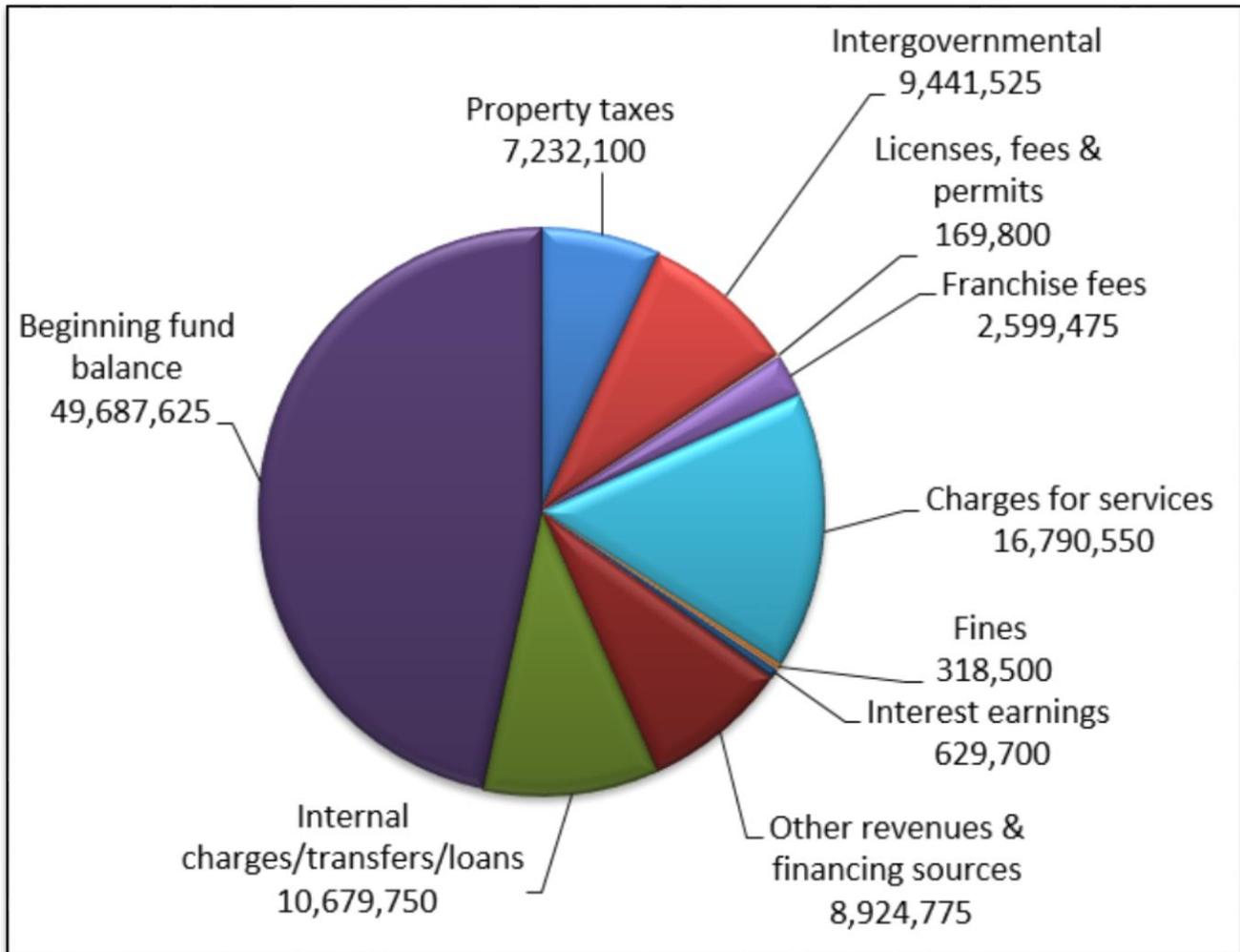


Description of budgeted categories Requirements

Requirements	Description of budgeted categories
Personnel Services	Salaries, overtime, and associated fringe benefits such as Social Security, PERS retirement, health and life insurance, VEBA and unemployment.
Materials & Services	Costs such as utilities, parts & supplies, professional services, training & education, insurance, postage, small tools & equipment, repairs & maintenance, etc.
Capital Outlay	Acquisition or construction of buildings, improvements, machinery, equipment and land with a cost of \$5,000 or more and a life expectancy greater than one reporting period.
Debt Service	Dollars set aside for repayment of principal and interest obligations.
Transfers Out	Amounts distributed from one fund to finance activities in another fund; shown as an expenditure in the originating fund.
General Operating Contingency	This money is budgeted for use during the year to deal with unexpected operating situations that cannot be specifically identified at the time the budget is prepared. It takes legislative action to use the funds.
Unappropriated	Amounts left in a fund at the end of the year to ensure that the Fund begins the next year with enough cash to operate until tax money or other revenues are received later in that fiscal year. These dollars cannot be spent or appropriated until the following budget year, except when authorized by Council due to an emergency created by civil disturbance or natural disaster.
Reserved for Future Expenditure	Amount saved and carried forward beyond the year that is not expected to be spent.

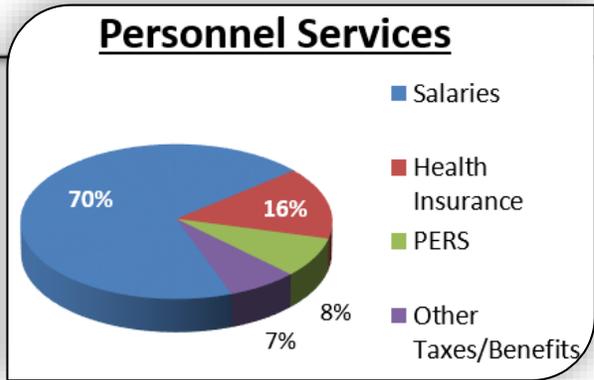
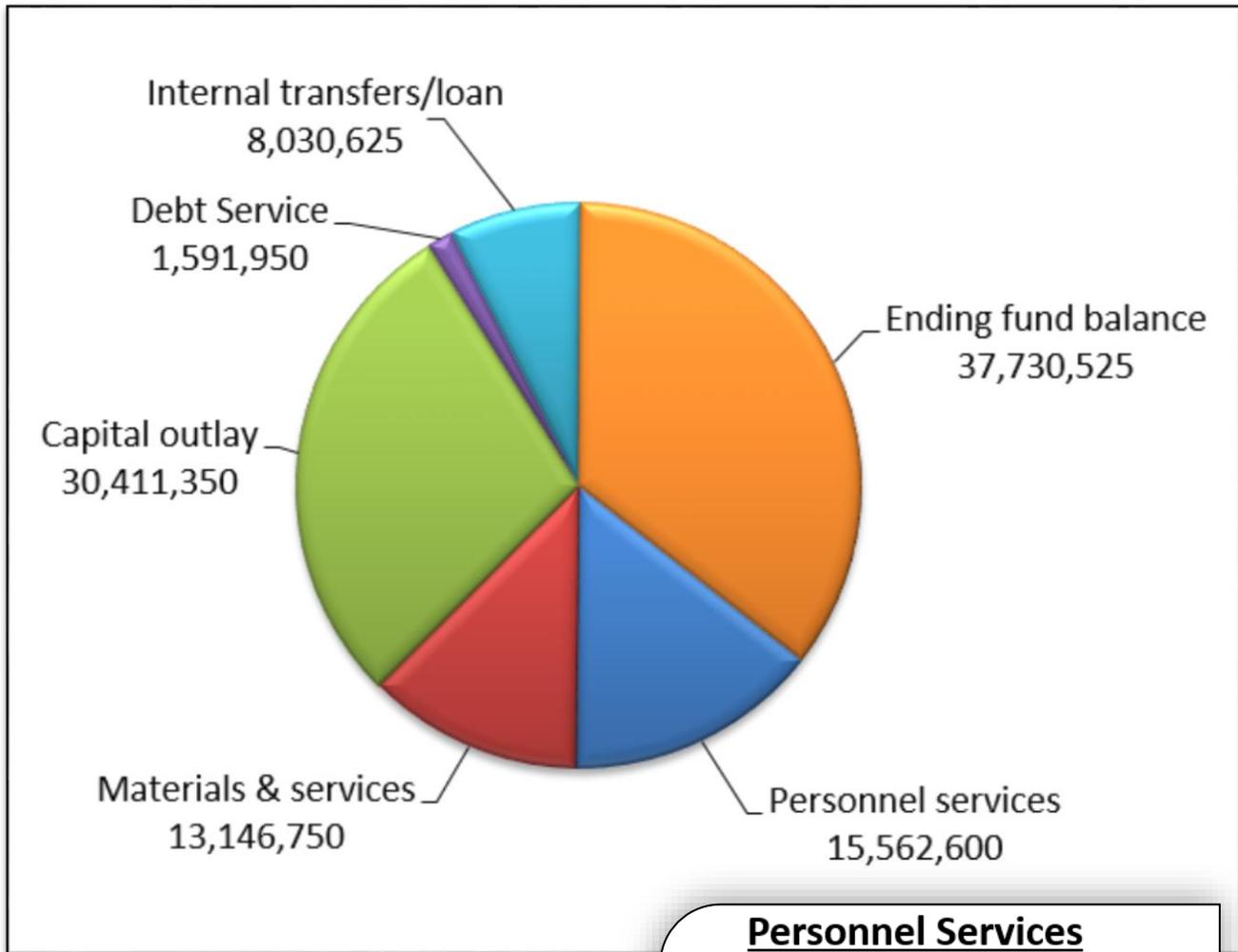


Resources & Requirements Comparison Resources: \$106,473,800





Resources & Requirements Comparison Requirements: \$106,473,800





Schedule of Net Working Capital 6 Year History/ 2 Year Projection

Fund	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	PROJECTED	
							7/1/2018	7/1/2019
General Fund (1)	4,071,578	4,353,350	4,801,958	3,561,893	11,204,546	11,559,914	10,705,450	10,123,925
Cemetery	254,309	374,038	-	-	-	-	-	-
Airport	1,236,688	1,389,425	1,294,113	1,399,706	1,435,529	1,529,696	2,484,150	723,825
Parks (1)	761,091	907,904	1,455,114	1,624,616	-	-	-	-
Street (1)	2,375,895	2,913,917	3,330,523	4,576,753	-	-	-	-
Parking	53,579	60,605	71,458	68,977	58,436	41,252	26,925	300
Street Lighting (1)	291,424	441,181	444,179	465,657	-	-	-	-
Downtown Maint. Dist	7,621	9,783	13,631	9,448	2,279	8,063	26,100	5,000
Cogeneration (4)	2,873,707	1,059,332	836,785	706,617	504,835	-	-	-
Economic Development	117,574	262,610	209,286	278,138	166,294	66,273	78,600	41,850
PERS Reserve	432,482	-	-	-	-	-	-	-
Technology Reserve (3)	234,729	295,926	67,202	235,191	143,725	-	-	-
Footpaths/Bicycle (6)	66,658	77,151	69,019	78,625	73,993	83,256	-	-
Capital Projects	976,872	1,025,852	1,085,565	3,150,470	17,772,500	17,925,527	14,990,150	11,123,375
Escrow Reserve	4,866,548	6,532,025	5,862,403	5,774,865	6,193,523	7,198,508	5,921,375	6,572,775
Debt Service	45,072	56,975	58,698	57,181	30,319	8,411	13,025	8,275
Wastewater (2)	7,980,895	9,511,856	11,061,876	12,073,689	3,929,640	5,740,518	9,657,500	5,020,600
Water (2)	6,812,074	7,066,435	8,907,632	8,505,044	5,152,152	5,060,828	5,582,500	3,913,750
BINET	-	-	-	-	-	-	45,000	40,000
Veteran's Memorial (5)	140,477	154,366	151,568	150,074	154,291	155,068	156,850	156,850
Total	33,599,273	36,492,731	39,721,010	42,716,944	46,822,064	49,377,314	49,687,625	37,730,525

Net working capital consists of Cash & Investments plus current receivables less cash payables.

- 1 – Increase in the General Fund and decrease in Parks, Street, and Street Lighting is due to incorporating those funds into the General Fund.
- 2 – In fiscal year 15-16 Wastewater and Water Funds transferred 10,000,000 and 4,500,000 respectively into the Capital Projects Fund.
- 3 – The Technology Reserve Fund was incorporated into the General Fund in FY 16-17.
- 4 – The Cogeneration Fund became inactive after the final transfer out in FY 16-17.
- 5 – Veteran's Memorial Fund is an Agency fund. Funds are not available for City use.
- 6 – The Footpaths/Bicycle Fund was incorporated into the General Fund in FY 17-18.



Schedule of Transfers

TRANSFER	TRANSFER IN									TOTAL
	General Fund	Airport Fund	Spring Street Urban Renewal (1)	Downtown Maint. District Fund	Economic Dev./Property Fund	Parking District Fund	Escrow Reserve Fund	Wastewater Fund	BINET Fund	
General Fund				36,250	150,000	15,525			10,000	211,775
Capital Projects Fund								4,000,000		4,000,000
Escrow Reserve Fund	310,000	400,000	550,000		225,000					1,485,000
Wastewater Fund							1,350,000			1,350,000
Water Fund	525,050	458,800								983,850
TOTAL	835,050	858,800	550,000	36,250	375,000	15,525	1,350,000	4,000,000	10,000	8,030,625

1 - Inter-fund loan



Major capital projects budgeted

Airport Fund

Taxiway G Rehab	\$	500,000
Master Plan & Exhibit A Update (AGIS)		507,175
Maintenance Hangar		4,385,575

General Fund

Lake Ewauna Trail		590,000
Washburn Way Sidewalks - Phase II		722,000
Micro Seal Program		350,000
Eldorado Ave Improvements Project		707,500
Campus & Daggett Intersection Improvements		1,000,000

Wastewater Fund

Texum Lift Station Rehab		625,000
Treatment Plant Upgrade		15,000,000

Water Fund

Pelican City Booster/Water Main		1,400,000
Stewart Lenox Distribution Improvements		800,000
Dayton Street Main Replacement		350,000
Altamont Drive Main Replacement		550,000

Total Major Capital Projects (\$225,000 or Greater)	\$	<u>27,487,250</u>
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Budget Summary All City funds combined

	Actual 2015-16	Actual 2016-17	Budget 2017-18	Proposed 2018-19	% Change from PY Budget
RESOURCES					
PROPERTY TAXES	6,635,649	6,773,755	6,729,800	7,232,100	-0.6%
SPECIAL ASSESSMENT	48,688	17,215	-	-	0.0%
INTERGOVERNMENTAL	3,477,795	5,787,146	16,622,375	9,441,525	187.2%
LICENSES, FEES & PERMITS	163,011	153,232	152,425	169,800	-0.5%
FRANCHISE FEES	2,444,433	2,534,513	2,514,400	2,599,475	-0.8%
CHARGES FOR SERVICES	15,806,177	16,568,646	16,845,200	16,790,550	1.7%
FINES & FORFEITURES	344,653	341,692	246,775	318,500	-27.8%
INVESTMENT INCOME	623,850	473,858	573,750	629,700	21.1%
OTHER REVENUES AND FINANCING SOURCES	7,743,680	1,032,022	1,923,625	8,924,775	86.4%
COMBINED REVENUES FROM OPERATIONS	37,287,937	33,682,079	45,608,350	46,106,425	35.4%
INTERNAL CHARGES/TRANSFERS/LOANS	24,609,849	4,128,233	8,021,300	10,679,750	
BEGINNING FUND BALANCE	42,716,945	46,822,064	49,377,475	49,687,625	
TOTAL RESOURCES:	104,614,731	84,632,377	103,007,125	106,473,800	21.7%
REQUIREMENTS					
PERSONNEL SERVICES	13,609,981	13,822,531	15,493,950	15,562,600	12.1%
MATERIALS & SERVICES	8,690,903	9,329,583	11,275,500	13,146,750	20.9%
CAPITAL OUTLAY	4,092,135	8,466,334	28,466,600	30,411,350	236.2%
DEBT SERVICE	9,226,919	1,874,858	1,540,675	1,591,950	-17.8%
COMBINED REQUIREMENTS FOR OPERATIONS	35,619,938	33,493,307	56,776,725	60,712,650	69.5%
INTERNAL TRANSFERS/LOANS	22,172,729	1,761,756	6,047,300	8,030,625	
ENDING FUND BALANCE	46,822,064	49,377,315	40,183,100	37,730,525	
TOTAL REQUIREMENTS:	104,614,731	84,632,377	103,007,125	106,473,800	21.7%

The table above summarizes the major resources and requirements for all City funds exclusive of Urban Renewal Funds.

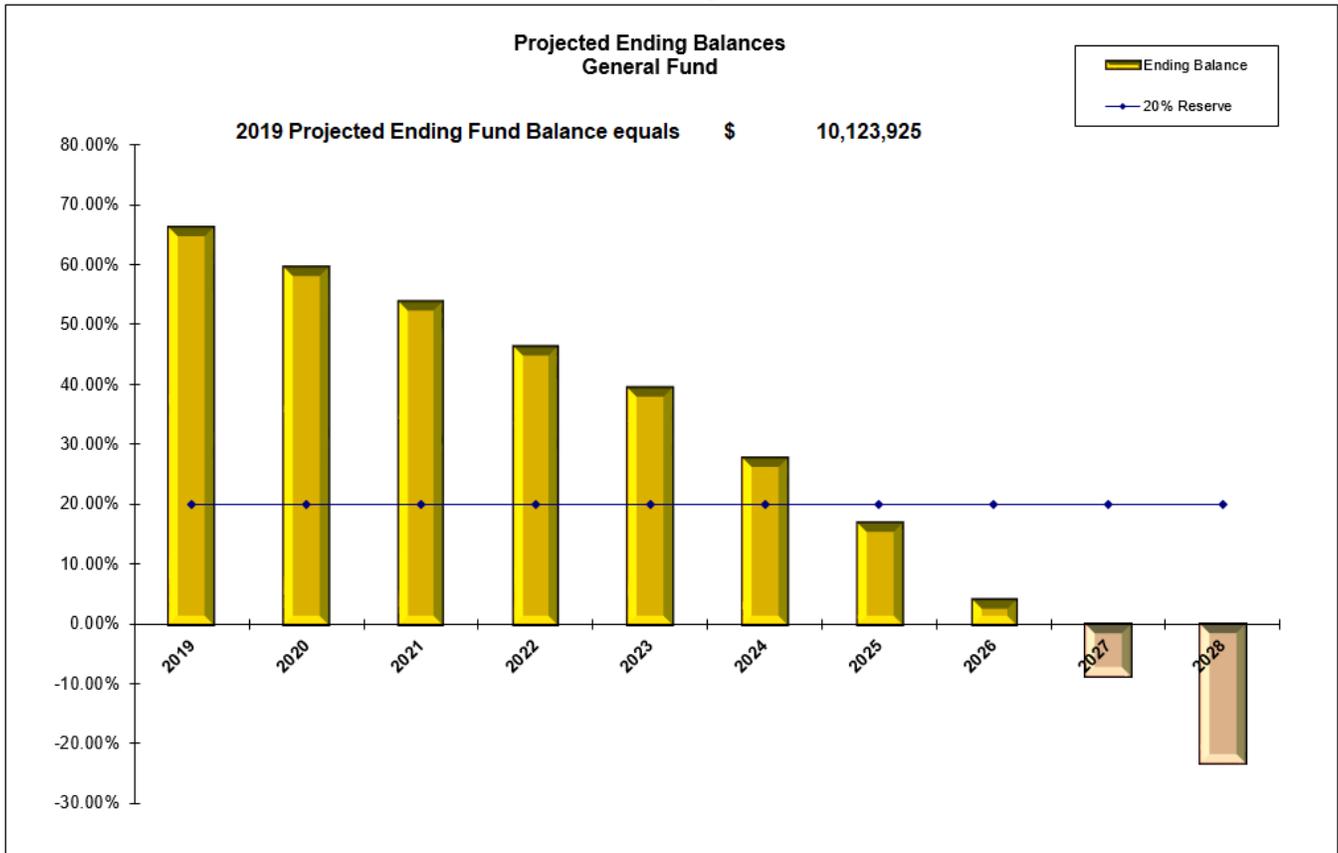


General Fund

The General Fund accounts for financial resources of the City, which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental, franchise fees, licenses and permits, and state shared revenue.

Estimated Resources:	\$ 30,546,350
Appropriated:	\$ 20,422,425
Reserved for Future Requirements:	\$ 10,123,925
Total Fund Requirements:	\$ 30,546,350

General Fund 10-year Forecast



General Fund #101 Resources

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Fund: 101 - GENERAL FUND	Total	Total	Total	Proposed	Approved	Adopted
Revenue						
NET WORKING CAPITAL	3,561,893	11,204,546	11,559,925	10,705,450	10,705,450	10,705,450
PROPERTY TAXES PREVIOUSLY LEVIED	229,137	261,769	273,900	255,975	255,975	255,975
SPECIAL ASSESSMENT	48,688	17,215	-	-	-	-
INTERGOVERNMENTAL	2,421,448	2,642,251	5,828,450	5,663,625	5,663,625	5,663,625
LICENSES, FEES & PERMITS	118,478	114,696	109,800	127,525	127,525	127,525
FRANCHISE FEES	2,444,433	2,534,513	2,514,400	2,599,475	2,599,475	2,599,475
CHARGES FOR SERVICES	457,544	453,959	458,050	455,350	455,350	455,350
FINES & FORFEITURES	291,228	297,894	204,775	270,350	270,350	270,350
INVESTMENT INCOME	150,039	150,878	162,175	187,300	187,300	187,300
INTERNAL CHARGES FOR SERVICES	2,257,022	2,509,271	2,630,600	2,605,600	2,605,600	2,605,600
OTHER REVENUES	137,683	204,561	272,075	434,200	434,200	434,200
OTHER FINANCING SOURCES	7,299,873	661,012	688,550	835,050	835,050	835,050
Fund: 101 - Resources Except Taxes Levied Total:	19,417,467	21,052,565	24,702,700	24,139,900	24,139,900	24,139,900
PROPERTY TAXES NECESSARY TO BALANCE			6,006,950	6,406,450	6,406,450	6,406,450
PROPERTY TAXES COLLECTED IN YEAR LEVIED	5,885,728	5,962,015	-	-	-	-
Fund: 101 - GENERAL FUND Total:	25,303,195	27,014,580	30,709,650	30,546,350	30,546,350	30,546,350



General Fund

Municipal Court

Appropriated: \$239,750

Description

The Municipal Court Division of the General Fund provides oversight and direction to ensure that all traffic, parking and code matters are handled in the appropriate manner. In addition to the Judge and Pro-Tem Judges, 30% of the Manager's position and two full-time Clerk positions are budgeted in this Division. Court staff work with and act as a resource for multiple City Departments/Divisions (Police, Code Enforcement and Legal), along with having a dedicated commitment to assisting and improving community safety for all citizens of Klamath Falls. The Court Manager and two Municipal Clerks are responsible for all Court processes, including traffic, parking and code violation arraignments, trials, Night Court, and Spanish Court.

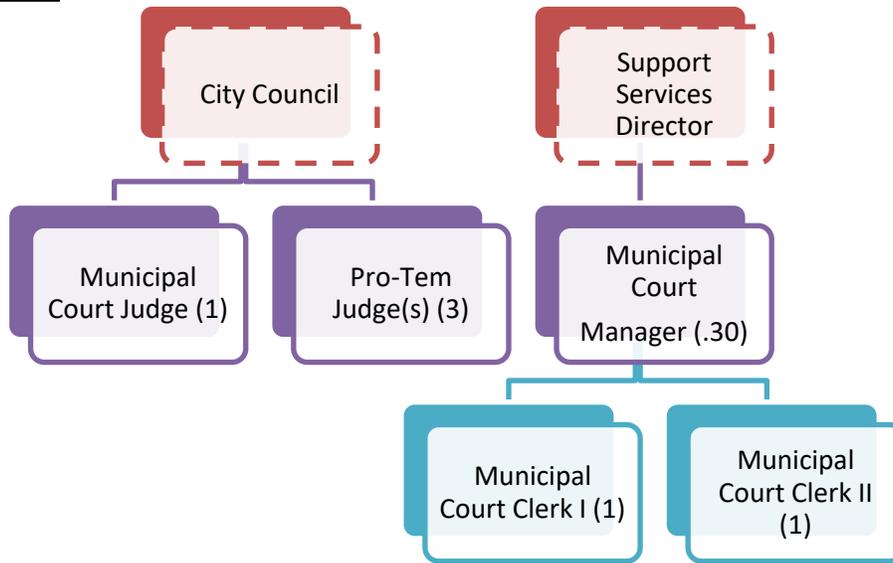
2018-2019 Goals

- Maintain workflow and prepare for employee structure changes.
- Research and implement one new customer service item, either internal or external.
- Continue to work on policy updates for Court; complete one to two.
- Staff and Judge to attend two trainings/conferences to aid with Court processes, implement new statutes and regulations.

2017-2018 Goal Outcomes

-  Implement and Streamline Failure to Appear for City Code Process.
-  Re-work Municipal Court Payment Policies and work with Carter Jones to gain more license compliance.
-  Staff to attend two trainings/conferences to aid with new court processes.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total Activity	Total Activity	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 01 - MUNICIPAL COURT						
Expense						
PERSONNEL SERVICES						
SALARIES	129,705	130,533	150,550	158,325	158,325	158,325
BENEFITS	47,706	41,257	49,350	50,500	50,500	50,500
PERSONNEL SERVICES Total:	177,411	171,790	199,900	208,825	208,825	208,825
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	4,776	2,591	9,500	9,500	9,500	9,500
UTILITIES	4,645	-	-	-	-	-
MAINTENANCE & REPAIRS	10,880	6,579	6,800	7,000	7,000	7,000
INSURANCE	1,154	592	625	650	650	650
COMMUNICATIONS	2,661	2,206	2,900	2,900	2,900	2,900
ADVERTISING	292	186	500	500	500	500
TRAVEL/TRAINING	3,704	3,554	4,375	4,525	4,525	4,525
SUPPLIES	2,583	1,967	2,850	2,850	2,850	2,850
NON-CAPITAL EQUIPMENT	1,246	1,685	1,500	2,500	2,500	2,500
OTHER MATERIALS & SERVICES	181	124	500	500	500	500
MATERIALS & SERVICES Total:	32,122	19,484	29,550	30,925	30,925	30,925
Department: 01 - MUNICIPAL COURT Total:	209,532	191,273	229,450	239,750	239,750	239,750



General Fund

City Administration

Appropriated: \$695,875

Description

The City Administration Department provides oversight and direction to ensure that all departments are responding to City Council goals, applying policy consistently and identifying key issues that need Council direction. In addition to the City Manager, three positions are budgeted in this Department. Department employees work with and act as resources to all departments, elected officials, and citizens of Klamath Falls. City Manager staff directly assist both the City Recorder and the City Attorney. City Manager staff also are responsible for managing city property, website maintenance, public affairs, and serving as liaison to outside economic and business groups.

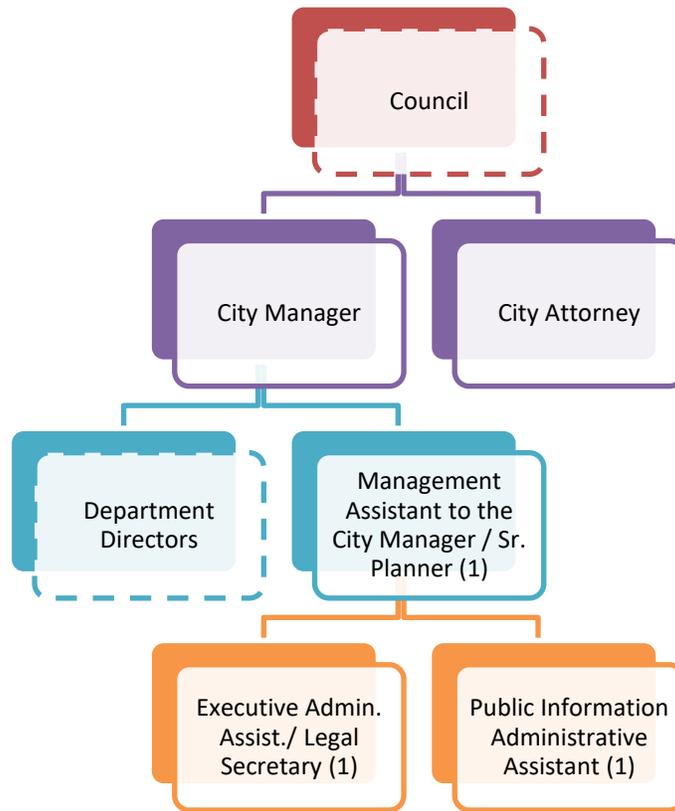
2018-2019 Goals

- Fully implement the CSI customer service approach city-wide.
- Update the Comprehensive Plan to assist Council in setting a long-range vision.
- Conduct a citizen satisfaction survey.
- Update various ordinances related to blight to assist Code Enforcement in cleaning up neighborhoods.

2017-2018 Goal Outcomes

- ● Work with Air Guard to prepare the Air Base for future missions to the greatest extent possible.
 - We secured an additional 50-year lease for the base. I continue to represent the 173rd Fighter Wing with the Air Education Training Command Civic Leaders Group.
- ● Concentrate City Staff on focus corridors to improve the perception of public safety.
 - Each department identified areas to improve and began making those improvements. Additional improvements will be made this coming budget year.
- ● Launch and support customer service improvement team.
- ● Establish a joint City/County code enforcement roundtable.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total Activity	Total Activity	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 02 - CITY MANAGER						
Expense						
PERSONNEL SERVICES						
SALARIES	375,466	361,439	497,125	452,200	452,200	452,200
BENEFITS	121,831	107,192	160,100	166,900	166,900	166,900
PERSONNEL SERVICES Total:	497,297	468,631	657,225	619,100	619,100	619,100
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	1,099	1,713	17,500	17,500	17,500	17,500
UTILITIES	7,742	-	-	-	-	-
MAINTENANCE & REPAIRS	21,099	12,959	13,350	13,775	13,775	13,775
INSURANCE	2,244	1,470	2,125	3,250	3,250	3,250
COMMUNICATIONS	3,193	3,357	6,750	5,550	5,550	5,550
ADVERTISING	2,580	1,644	2,600	2,600	2,600	2,600
TRAVEL/TRAINING	9,171	9,964	21,100	21,150	21,150	21,150
SUPPLIES	3,490	2,410	5,850	5,850	5,850	5,850
NON-CAPITAL EQUIPMENT	1,026	2,589	3,500	3,000	3,000	3,000
OTHER MATERIALS & SERVICES	871	703	5,300	4,100	4,100	4,100
MATERIALS & SERVICES Total:	52,515	36,808	78,075	76,775	76,775	76,775
Department: 02 - CITY MANAGER Total:	549,813	505,439	735,300	695,875	695,875	695,875



General Fund

Legal - INACTIVE

Budget Comment

The Legal Division was combined with the City Manager Division forming City Administration during the FY 17-18 budget.

Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 03 - LEGAL						
Expense						
PERSONNEL SERVICES						
SALARIES	156,025	144,177	-	-	-	-
BENEFITS	41,810	44,418	-	-	-	-
PERSONNEL SERVICES Total:	197,834	188,595	-	-	-	-
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	1,979	3,643	-	-	-	-
UTILITIES	3,096	-	-	-	-	-
MAINTENANCE & REPAIRS	1,484	-	-	-	-	-
INSURANCE	962	595	-	-	-	-
COMMUNICATIONS	2,323	2,322	-	-	-	-
ADVERTISING	-	22	-	-	-	-
TRAVEL/TRAINING	5,240	2,343	-	-	-	-
SUPPLIES	1,431	1,520	-	-	-	-
NON-CAPITAL EQUIPMENT	1,363	2,403	-	-	-	-
OTHER MATERIALS & SERVICES	4,086	4,095	-	-	-	-
MATERIALS & SERVICES Total:	21,963	16,943	-	-	-	-
Department: 03 - LEGAL Total:	219,797	205,538	-	-	-	-



General Fund

Finance

Appropriated: \$763,925

Description

The Finance Division is the hub of all financial activities for the City and provides central accounting services for all City departments and the Urban Renewal Agency. The Division is responsible for cash receipting, assessments, lien searches, accounts receivable, accounts payable, payroll, debt management, grant financial reporting, capital asset management, property/liability insurance and investment of City funds.

Preparation of fiscal reports, bond sales, rate and fee studies and financial research are all services provided by the Finance Division to other departments and as requested by the City Council and City Manager. Finance is also responsible for the preparation of the annual Budget and the Comprehensive Annual Financial Report (CAFR). These activities are guided by state and federal statutes, generally accepted accounting principles, and local ordinances and policies.

Budget Comments

Personnel Services increased due to an additional part-time employee. In Fiscal Year 2017-2018, it was decided to place building maintenance costs for the Finance/Utility Billing building in the Facilities Maintenance Division. This has been changed for FY 2018-19 to reflect that Utility Billing Division costs should be charged to the Water Fund. Intangible Assets Capital is a time clock and scheduling system that will help payroll to accomplish payroll tasks more efficiently.

2018-2019 Goals

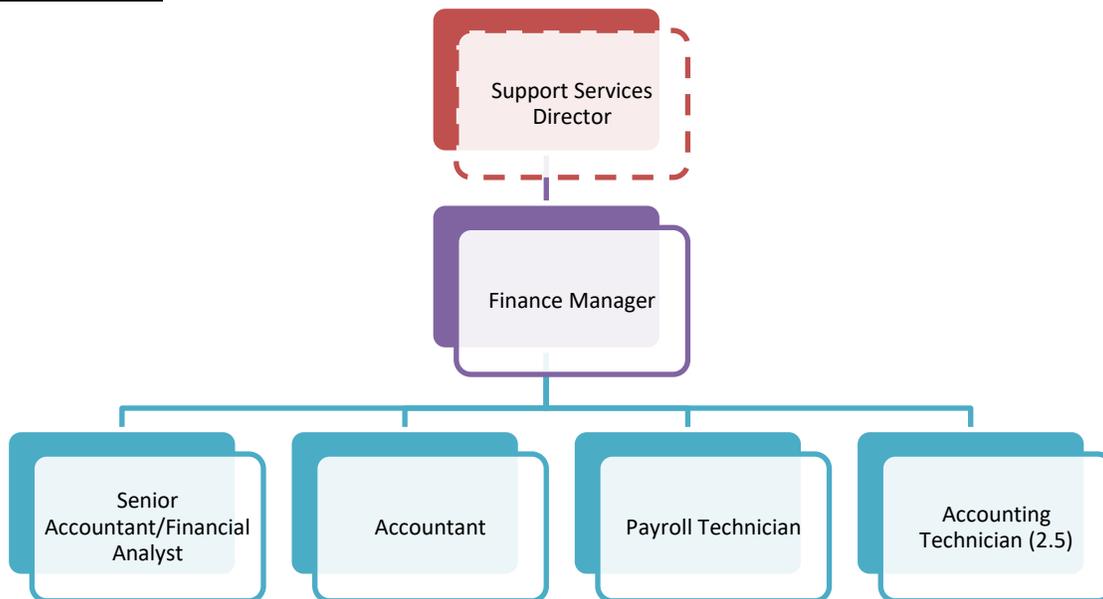
- Work with IT to develop a plan for taking online payments throughout the City.
- Provide support with the focus corridor(s) housing façade grants.
- Roll out procurement card program to staff.
- Implement a different time capturing system and switching non-exempt employees to hourly pay.
- Implement a biennial budget process.

2017-2018 Goal Outcomes

- ● Assist with the implementation of online payments for City services.
 - No other City departments have tried to go online. IT is working on an infrastructure update to accommodate this.
- ● Work toward a paperless environment.
 - With our current system, we are unable to lessen our use of paper.

- Increase Tyler utilization by increasing the use of Tyler documents.
 - We have started scanning in journal entries, cashiering backup, and bank reconciliations but an update to Tyler has slowed the scanning program so we are not increasing scanning and may need to decrease in the future.
- Provide support with the focus corridors housing façade grants.
 - These are still in process.
- Implement a procurement card program to streamline City purchases with assistance from other Departments.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 05 - FINANCE						
Expense						
PERSONNEL SERVICES						
SALARIES	341,844	364,601	362,175	393,325	393,325	393,325
BENEFITS	135,700	138,055	153,600	171,975	171,975	171,975
PERSONNEL SERVICES Total:	477,544	502,656	515,775	565,300	565,300	565,300
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	59,235	84,178	103,575	83,325	83,325	83,325
UTILITIES	4,412	4,346	-	5,100	5,100	5,100
MAINTENANCE & REPAIRS	40,143	30,367	27,800	43,750	43,750	43,750
RENTALS / LEASES	27,000	27,000	27,000	27,000	27,000	27,000
INSURANCE	2,450	2,312	2,350	2,175	2,175	2,175
COMMUNICATIONS	10,129	7,551	7,675	9,000	9,000	9,000
ADVERTISING	6,110	4,855	3,500	3,500	3,500	3,500
TRAVEL/TRAINING	2,761	3,269	6,900	8,225	8,225	8,225
SUPPLIES	3,907	4,990	4,675	4,500	4,500	4,500
NON-CAPITAL EQUIPMENT	931	6,562	7,350	11,150	11,150	11,150
OTHER MATERIALS & SERVICES	717	922	775	900	900	900
MATERIALS & SERVICES Total:	157,795	176,352	191,600	198,625	198,625	198,625
Department: 05 - FINANCE Total:	635,339	679,008	707,375	763,925	763,925	763,925



General Fund

Support Services

Appropriated: \$564,100

Description

The mission of the Support Services Department is to support the goals and challenges of employees and the City by assisting all divisions and departments and working together across the organization. The Support Services Department encompasses the Human Resources Division budget and personnel. Additional Divisions under the direction of the Support Services Director are: Finance, Technology Services, Utility Billing, Municipal Court, and City Recorder (Legislative).

The Human Resources Division promotes a positive work environment characterized by equitable treatment of staff, open communication, personal accountability, trust and mutual respect. Human Resources is responsible for providing a wide range of services to City directors, managers and employees, such as: recruitment and selection of staff; supervisor and employee training; workforce planning; position classification and pay structure; labor relations, including labor contracts and grievance resolution; personnel policies and procedures; employee benefits; and the administration of workers' compensation programs.

Budget Comments

Support Services has included budget for the following: conducting a classification and compensation study, and selecting a Human Resources Recruiting, Applicant Tracking/Onboarding and Performance Management software application. Budget has also been increased for Legal and Consultative Services (3202) to align with FY 2017-18 expenditures. A support position has been added to this budget that was previously budgeted in Pool.

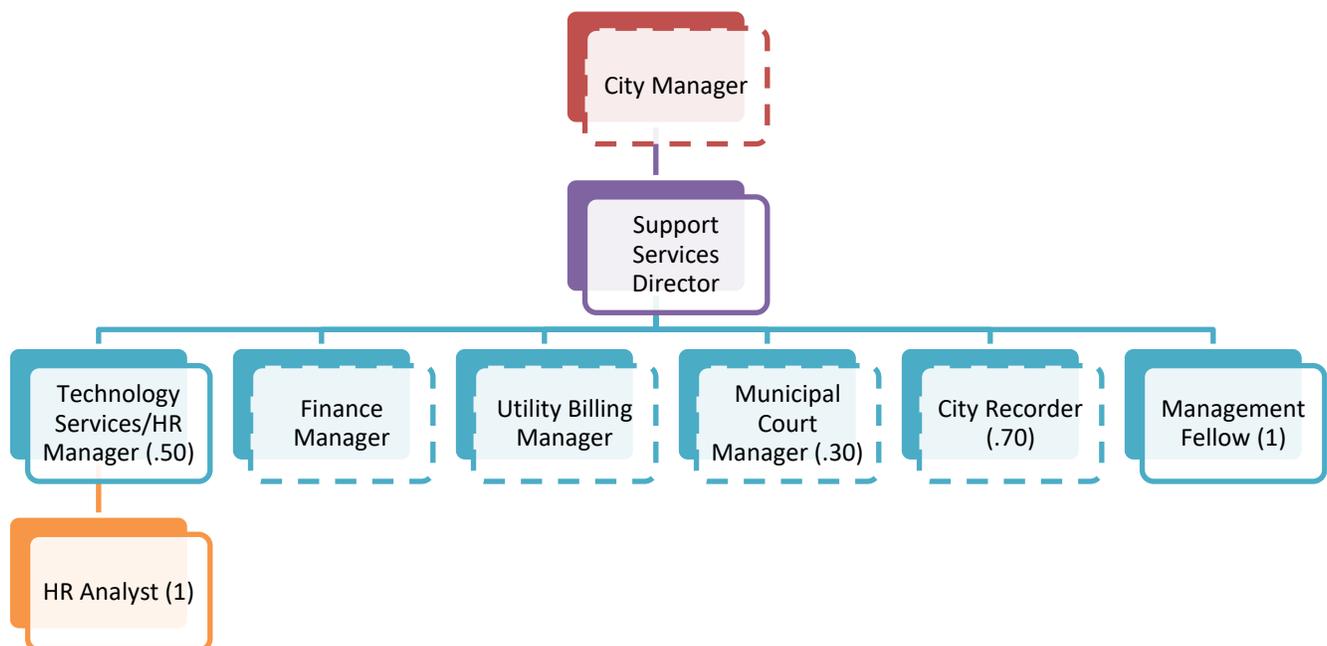
2018-2019 Goals

- Complete a classification and compensation study.
- Acquire and implement Human Resources application for Recruiting, Applicant Tracking/Onboarding, and Performance Management.
- Convert from paper to electronic personnel records.
- Complete negotiation and contract renewal with the AFSCME Local #2451 Union prior to June 30, 2019.
- Continue implementation of a volunteer program that will allow any interested employee to help with projects to support the beautification of the focus corridors as part of the City-wide initiative.

2017-2018 Goal Outcomes

- ● Provide leadership for each Support Services Division to achieve its individual goals by successful on-boarding and integration of the newly hired Support Services Director.
- ● Facilitate specific management training to focus on basic supervisory skills and communication. This year we will specifically focus on planning, delegating, and mentoring employees.
 - The goal in 2018-19 is to focus on bringing HR into the digital age and significantly reducing the amount of manual processing that occurs. Training is a very important component of HR but given our staffing levels, we need to become more efficient in our day-to-day operations in order to allocate time for training and staff development.
- ● Implement a volunteer program that will allow any interested employee to help with projects to support the beautification of the focus corridors as part of the City-wide initiative.
- ● Complete negotiation and contract renewal with the Teamsters Local Union prior to June 30, 2018. (We anticipate completion by June 30th).
- ● Design and implement a targeted recruiting program for hard to fill jobs for the Police, Wastewater, and Water Divisions which will include building relationships with Universities and Community Colleges.
 - We have had some preliminary discussions regarding recruiting and University relations. One of the major challenges we face is that our wages are not competitive for recruiting in the Water and Wastewater fields. Our goal is to evaluate our wage structure as part of the classification and compensation study and develop a recruiting/succession plan strategy for 2018-19 and coming years.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 06 - SUPPORT SERVICES						
Expense						
PERSONNEL SERVICES						
SALARIES	177,059	200,337	271,475	319,900	319,900	319,900
BENEFITS	56,389	59,033	111,750	141,100	141,100	141,100
PERSONNEL SERVICES Total:	233,448	259,370	383,225	461,000	461,000	461,000
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	3,731	7,879	26,450	60,000	60,000	60,000
UTILITIES	2,053	-	-	-	-	-
MAINTENANCE & REPAIRS	12,321	5,796	5,975	18,175	18,175	18,175
INSURANCE	1,158	709	750	925	925	925
COMMUNICATIONS	1,122	1,078	1,250	1,250	1,250	1,250
ADVERTISING	1,126	7,664	5,000	2,000	2,000	2,000
TRAVEL/TRAINING	2,982	9,862	9,000	10,500	10,500	10,500
SUPPLIES	1,677	2,517	2,250	2,250	2,250	2,250
NON-CAPITAL EQUIPMENT	147	-	-	5,000	5,000	5,000
OTHER MATERIALS & SERVICES	679	1,458	2,750	3,000	3,000	3,000
MATERIALS & SERVICES Total:	26,997	36,963	53,425	103,100	103,100	103,100
Department: 06 - SUPPORT SERVICES Total:	260,444	296,333	436,650	564,100	564,100	564,100



General Fund

Technology Services

Appropriated: \$602,500

Description

The Technology Services Division works with all City departments in an effort to make effective use of technology, provide service and support, and ensure the availability and reliability of computer systems. Technology Services manages the enterprise network as well as the underlying infrastructure consisting of a fiber network, wireless communications, and servers and software that enable the City to provide high quality services to our departments and our citizens. The Technology Services Division strives to maintain network reliability with the least amount of service interruptions and downtime.

Budget Comments

Addition of two part-time staff budgeted for City website overhaul and implementation and support of additional software solutions.

2018-2019 Goals

- Acquire and implement a 311-type service for citizens to report non-emergency requests.
- Complete overhaul/redesign of the City website.
- Acquire and implement a solution to replace Tyler EnerGov (Building & Inspections, Planning & Land Management, Code Enforcement).
- Acquire and implement a solution to replace Tyler PMM (Asset Management).

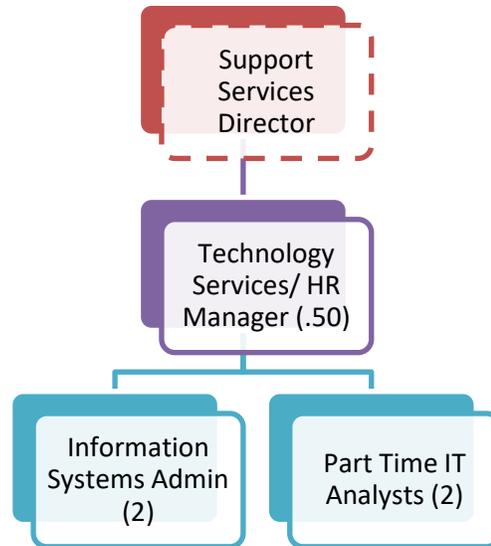
2017-2018 Goal Outcomes

- ● Acquire and implement a 311-type service for Citizens to report non-emergency requests.
 - Vendors have been evaluated and ranked. Held off on final selection due to inability to integrate with Tyler PMM and EnerGov. Replacement for EnerGov and PMM will have capability to integrate with 311-type citizen reporting applications.
- ● Acquire and implement a call-center management application for the Utility Billing Department.
- ● Acquire and deploy Phase 1 of the City Surveillance Camera Project.
- ● Purchase and deploy a new phone system throughout the City.
- ● Identify and develop individual department champions for Tyler.
 - In order to derive the maximum benefit from the Tyler applications we need to take a divide and conquer approach. These individuals will take an active role in researching issues and seeking resolutions as well as identifying process refinements. This is an ongoing process and requires individual department ownership by seeking out training

opportunities, active participation in Tyler Community, and contact with Tyler customer support.

- ● Establish standards and policies for the acquisition of hardware and software technologies and a process for which city departments involve IT.
 - This is an ongoing process as well. Currently, IT meets monthly with each department for onsite support and training.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Fund: 101 - GENERAL FUND	Total Activity	Total Activity	Total	Proposed	Approved	Adopted
Department: 07 - TECHNOLOGY SERVICES						
Expenses						
PERSONNEL SERVICES						
SALARIES	228,813	210,662	189,225	250,625	250,625	250,625
BENEFITS	80,520	70,423	65,150	69,025	69,025	69,025
PERSONNEL SERVICES Total:	309,332	281,085	254,375	319,650	319,650	319,650
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	231	3,423	5,000	5,000	5,000	5,000
UTILITIES	3,096	-	-	-	-	-
MAINTENANCE & REPAIRS	31,924	72,994	68,025	217,675	217,675	217,675
INSURANCE	1,272	922	975	1,150	1,150	1,150
COMMUNICATIONS	23,703	23,848	34,000	35,075	35,075	35,075
ADVERTISING	915	-	750	750	750	750
TRAVEL/TRAINING	8,299	3,593	11,650	11,650	11,650	11,650
SUPPLIES	1,100	1,045	1,900	1,900	1,900	1,900
NON-CAPITAL EQUIPMENT	8,723	30,376	9,500	9,500	9,500	9,500
OTHER MATERIALS & SERVICES	28	94	150	150	150	150
MATERIALS & SERVICES Total:	79,290	136,295	131,950	282,850	282,850	282,850
CAPITAL OUTLAY						
INTANGIBLE	-	-	15,000	-	-	-
EQUIPMENT	-	16,770	35,000	-	-	-
CAPITAL OUTLAY Total:	-	16,770	50,000	-	-	-
Department: 07 - TECHNOLOGY SERVICES Total:	388,623	434,150	436,325	602,500	602,500	602,500



General Fund

Public Works Administration

Appropriated: \$424,675

Description

The Public Works Department is comprised of several divisions consisting of: Streets/Vehicle Maintenance, Water/Geothermal, Wastewater/Stormwater, Maintenance/Street Lighting, Development Services, Parks and Public Works Administration. Public Works is tasked with the maintenance and capital improvements of all infrastructure related to these divisions within the City limits. Water is supplied to not only those residents within the City, but to those that reside within the Urban Growth Boundary as well.

The primary goal of the Public Works Administration Division is to help other divisions within Public Works meet their goals, and provide support as necessary. Many of the tasks taken on by Public Works Administration are longer range or broader goals to assist or analyze facets within the various divisions.

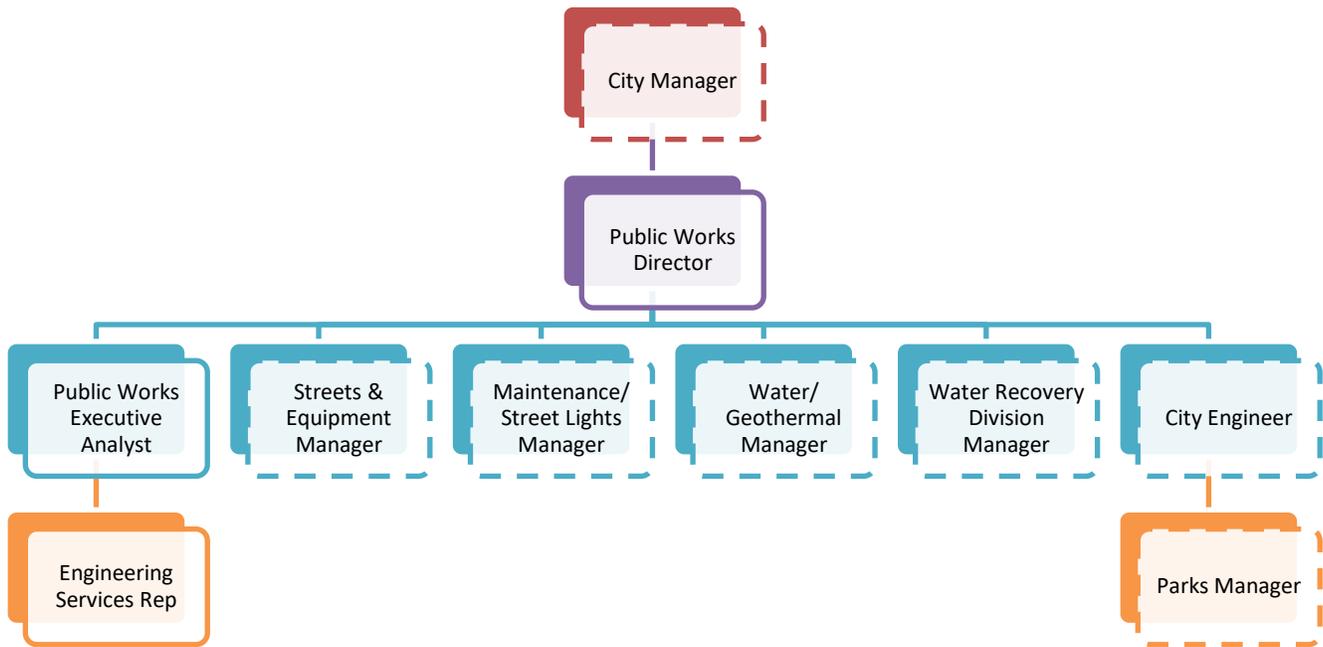
2018-2019 Goals

- Construct Phase II of the Washburn Way Sidewalk Project.
- Begin construction on upgrades to Wastewater Treatment Plant.
- Analyze benchmarking study for Water and Wastewater Divisions.
- Assist Streets Division's implementation of Pavement Management System for use in CIP.
- Implement Right of Way program from Street Lighting Program.

2017-2018 Goal Outcomes

- ● Provide leadership for each Public Works Division to achieve their individual goals.
 - This is an ongoing goal.
- ● Complete Phase II design of the Washburn Way sidewalk project.
- ● Complete Phase 1B of the progressive design build project being undertaken at Wastewater treatment plant.
 - Design is well underway but won't be complete until October 2018.
- ● Establish benchmarking performance indicators for Water and Wastewater.
 - The City has participated in the AWWA benchmarking study but results have not been published.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 09 - PUBLIC WORKS ADMIN						
Expenses						
PERSONNEL SERVICES						
SALARIES	182,028	189,264	245,350	248,500	248,500	248,500
BENEFITS	74,177	75,240	117,500	117,700	117,700	117,700
PERSONNEL SERVICES Total:	256,205	264,504	362,850	366,200	366,200	366,200
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	3,282	284	5,000	15,000	15,000	15,000
UTILITIES	2,053	-	-	-	-	-
MAINTENANCE & REPAIRS	12,457	15,094	16,300	16,550	16,550	16,550
INSURANCE	1,426	1,054	1,100	1,225	1,225	1,225
COMMUNICATIONS	1,577	1,372	1,700	1,600	1,600	1,600
ADVERTISING	66	-	100	1,200	1,200	1,200
TRAVEL/TRAINING	4,596	6,549	10,800	8,400	8,400	8,400
SUPPLIES	1,946	2,179	1,950	8,350	8,350	8,350
NON-CAPITAL EQUIPMENT	99	2,284	2,250	6,150	6,150	6,150
OTHER MATERIALS & SERVICES	230	402	200	-	-	-
MATERIALS & SERVICES Total:	27,733	29,217	39,400	58,475	58,475	58,475
Department: 09 - PUBLIC WORKS ADMIN Total:	283,938	293,721	402,250	424,675	424,675	424,675



General Fund

Development Services

Appropriated: \$1,121,275

Description

The Development Services Division provides both planning and engineering services, allowing for a one-stop-shop to better meet the needs of the public. The Division is responsible for the City's capital projects, current land use development applications, long range planning strategies, and architectural preservation. It also prepares and administers plans, policies, and regulations with guidance from federal and state laws. The Division provides technical support to the City Council and the Planning Commission.

Another primary role of the Development Services Division is to protect the interests of Public Works and the citizens of Klamath Falls by ensuring infrastructure is designed and constructed in conformance with the City's design standards. This is primarily done through the review of plans and issuance of permits. The Division's role is further expanded by overseeing the design and construction of capital improvement projects for many departments and divisions within the City. Development Services plays an active role in review and inspection of private developments that will have infrastructure dedicated to the City at a later date.

Development Services is also responsible for maintaining the Geographic Information System (GIS), reviewing and maintaining the City's water rights, and reviewing and approving plats, subdivisions, land partitions and other survey related documents.

Budget Comments

Consulting Services Contracts has been increased to account for anticipated special project allowances and for additional support from outside consultants related to an increase in private development projects.

Software Licenses & Maintenance has been increased to account for required annual AutoCAD software subscription, an additional seat license of ArcGIS, a proposed plan review and management software package (PlanGrid), and an ArcGIS online business analyst extension for up to five named users.

2018-2019 Goals

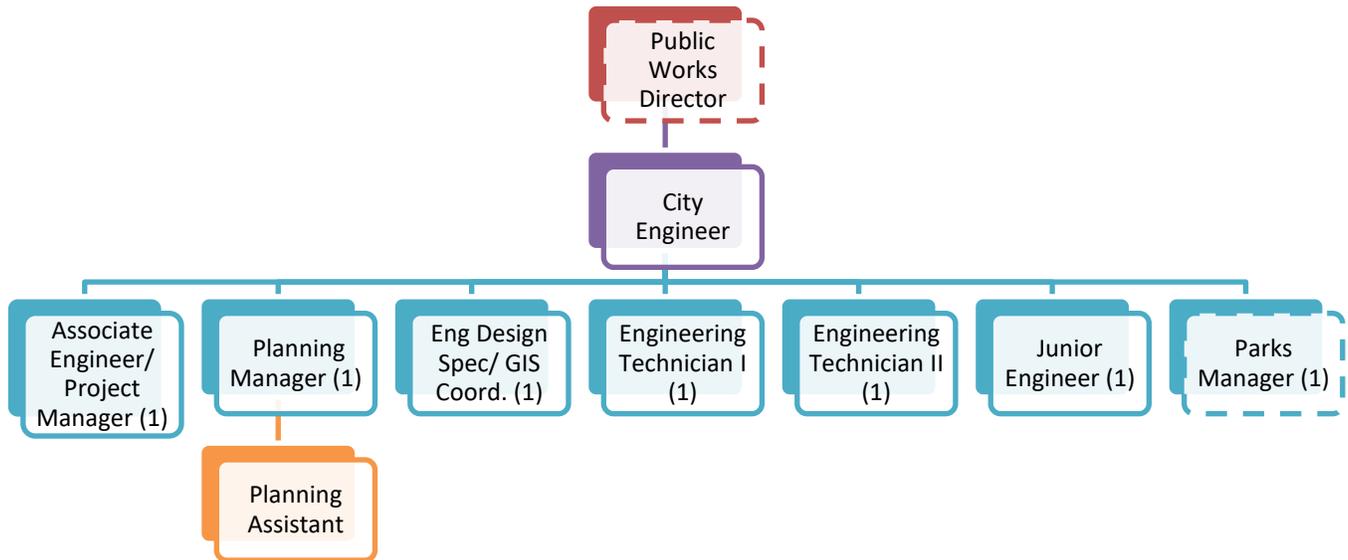
- Implement Development Services workspace and customer service area remodel plan to improve overall aesthetics and first impressions of the department.
- Purchase and implement new plan review and construction tracking software for capital projects. Staff is researching a software product by PlanGrid.

- Evaluate current Development Services fee structures and draft proposed changes, where appropriate, for City Manager and Council consideration.
- Upgrade the current GIS database server to the new ArcGIS Enterprise Environment.
- Migrate from ArcGIS Desktop to the new ArcGIS Pro.
- Reestablish the City's Downtown Advisory Committee.

2017-2018 Goal Outcomes

-  Complete Public Works projects identified in the Capital Improvement Plan.
-  Implement Development Services workspace and customer service area remodel plan to improve overall aesthetics and first impressions of the department.
 - Project delayed accommodating other department needs. Anticipate pursuing next fiscal year.
-  Following completion of the Public Works Engineering Standards updates, begin standards transition to utilize the Oregon APWA/ODOT Standard Specifications for Construction.
 - Increased workload and staffing shortage has delayed this project. Public Works Engineering Standards updates ongoing. Capital project development has begun utilizing the APWA/ODOT Standard Specifications.
-  Complete the Water and Wastewater GIS mapping review and update process in order to permanently archive the historic Legacy Maps.
 - Water map transition anticipated to be complete FY17/18. Staff working with Wastewater Division to confirm accuracy of draft mapping imagery. Wastewater map transition anticipated to be complete FY18/19.
-  Meet quarterly with realtor and contractor community to maintain good public relations and positive communication.
-  Collaborate with Klamath County and DLCD to begin a residential land inventory within the UGB. This would be the first step in determining availability of large acreage industrial land opportunities within the UGB.
 - Work in progress. DLCD recently awarded a \$40,000 grant to complete an 'Industrial Lands Readiness/Large Lot Industrial Site Assessment.' The grant period runs through May of 2019. Staff anticipates completing the assessment within this time period.
-  Partner with Code Enforcement to identify and correct code issues in the focus corridors.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 10 - PUBLIC WORKS DEVELOPMENT SERVICES						
Expenses						
PERSONNEL SERVICES						
SALARIES	529,324	580,905	568,700	615,675	615,675	615,675
BENEFITS	204,681	208,374	237,025	220,450	220,450	220,450
PERSONNEL SERVICES Total:	734,005	789,279	805,725	836,125	836,125	836,125
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	8,478	22,453	54,200	181,250	181,250	181,250
UTILITIES	9,907	-	-	-	-	-
MAINTENANCE & REPAIRS	30,826	7,513	10,400	45,650	45,650	45,650
INSURANCE	7,787	4,108	4,250	4,250	4,250	4,250
COMMUNICATIONS	9,931	13,112	14,000	14,000	14,000	14,000
ADVERTISING	231	1,444	2,300	2,800	2,800	2,800
TRAVEL/TRAINING	3,118	4,387	10,600	10,300	10,300	10,300
SUPPLIES	11,397	10,106	11,750	13,900	13,900	13,900
NON-CAPITAL EQUIPMENT	13,938	10,930	11,900	12,250	12,250	12,250
OTHER MATERIALS & SERVICES	207	193	750	750	750	750
MATERIALS & SERVICES Total:	95,821	74,247	120,150	285,150	285,150	285,150
CAPITAL OUTLAY						
INTANGIBLE	-	7,000	-	-	-	-
CAPITAL OUTLAY Total:	-	7,000	-	-	-	-
Department: 10 - PUBLIC WORKS DEVELOPMENT SERVICES Total:	829,826	870,526	925,875	1,121,275	1,121,275	1,121,275



General Fund

Police Department

Appropriated: \$6,060,650

Description

The Klamath Falls Police Department strives to reduce crime and increase the overall livability of Klamath Falls through proactive education, prevention and enforcement. The Department is committed to maintaining a strong alliance with our community to understand and appreciate the needs and expectations of Klamath Falls.

In 2017, officers provided law enforcement services to thousands of citizens by responding and/or investigating over 35,125 incidents. Officers further conducted 4,902 traffic stops to enhance driver compliance with traffic laws, mitigate collisions, decrease property loss and enhance personal protection. Through our mission-based policing model, officers conducted 1,270 directed patrols to reduce and prevent criminal behavior in targeted areas with high criminal activity.

To further serve our community, the Klamath Falls Police Department provides investigative services through our Investigations Division and participates on the Klamath County Major Crimes Team. KFPD participates on the Basin Interagency Narcotics Enforcement Team (BINET) to reduce illegal drug use and distribution in Klamath County. The Patrol Division deploys one patrol K9 unit to track and apprehend serious offenders, one narcotic canine to identify and locate illegal drugs, and maintains a highly competent Special Weapons and Tactics (SWAT) team to respond to major criminal events.

Our Records Unit is responsible for the management of department reports and records. The Unit provides services to the community through dissemination of accurate information in a timely manner. Records Clerks also provide walk-in access with face-to-face interaction for crime reporting and referral services to other community partners.

Members of the Department dedicate their time to the community in worthwhile events such as Shop With a Cop, Night to Shine, Tip-a-Cop, and the Law Enforcement Torch Run for Special Olympics.

Klamath Falls experienced a 2.4% reduction in crime victimization in 2017 due to a proactive and purpose driven police force.

2018-2019 Goals

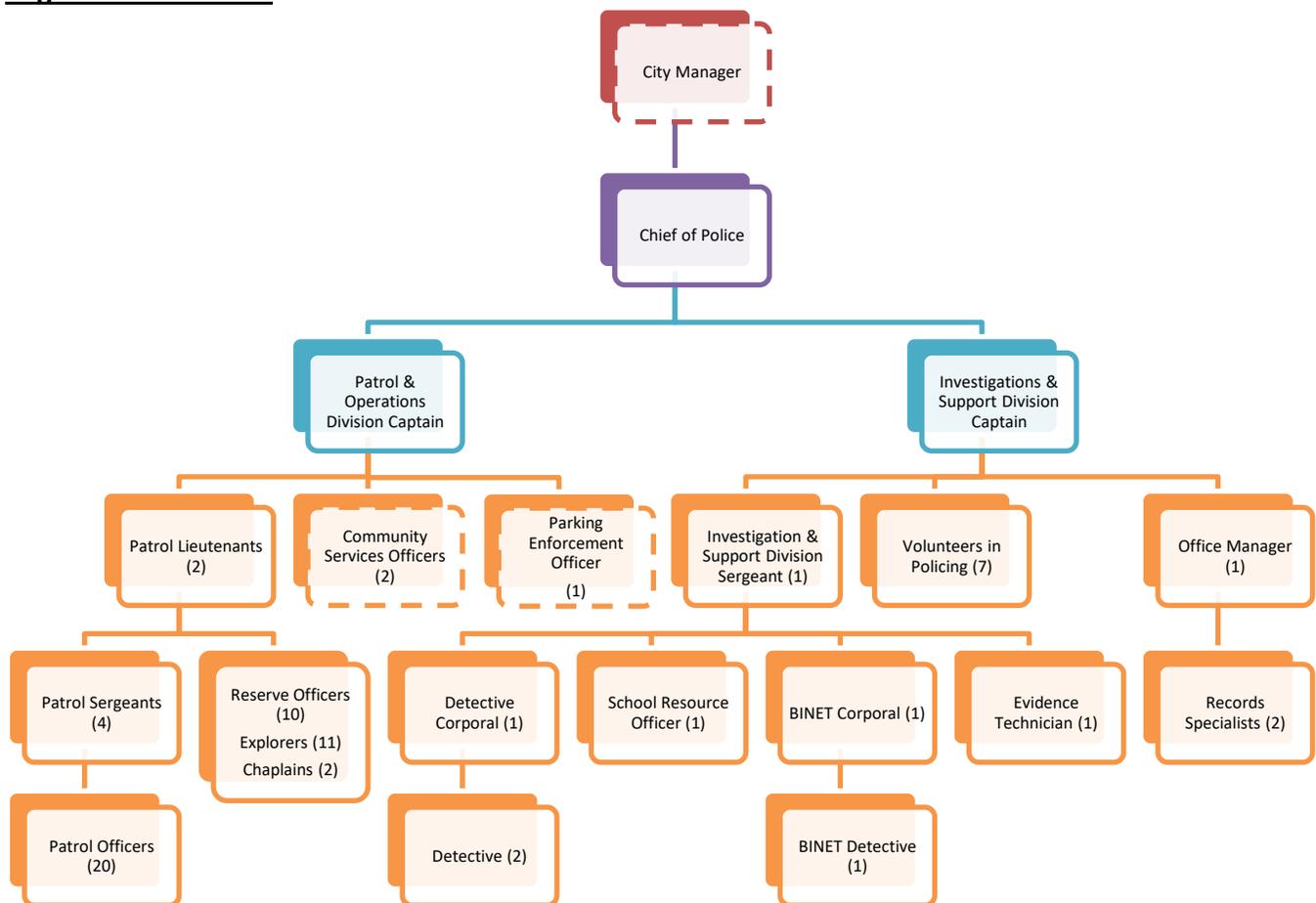
- Reduce citizen victimization in Klamath Falls to increase the perception of safety.
- Work with other City Departments to identify objectives that positively impact livability in highly visible community locations.

- Finalize Failure to Appear Program to increase citizen attendance and participation with Klamath Falls Municipal Court.
- Complete Video Arraignment Program with the Klamath County Jail to increase department efficiency by utilizing technology and minimizing staff time transporting prisoners.

2017-2018 Goal Outcomes

- Obtain accreditation through the Oregon Accreditation Alliance to enhance customer service and community trust.
- Reduce citizen victimization in Klamath Falls to increase the perception of safety.
- Work with other City Departments to identify objectives that positively impact livability in the focus corridors.
- Implement a body-worn camera program to increase department transparency and enhance customer service and community support.
- Comply with all federal reporting requirements and become compliant with the National Incident Based Reporting System (NIBRS).

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 11 - POLICE						
Expenses						
PERSONNEL SERVICES						
SALARIES	3,330,667	3,407,948	3,525,600	3,587,925	3,587,925	3,587,925
BENEFITS	1,278,475	1,278,990	1,564,125	1,576,600	1,576,600	1,576,600
PERSONNEL SERVICES Total:	4,609,142	4,686,938	5,089,725	5,164,525	5,164,525	5,164,525
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	20,550	17,492	63,900	67,400	67,400	67,400
UTILITIES	47,446	49,089	51,025	50,450	50,450	50,450
MAINTENANCE & REPAIRS	168,572	102,397	133,800	135,500	135,500	135,500
INSURANCE	102,755	113,211	117,925	126,075	126,075	126,075
COMMUNICATIONS	57,218	59,516	61,700	62,050	62,050	62,050
ADVERTISING	5,367	4,927	5,750	5,450	5,450	5,450
TRAVEL/TRAINING	34,554	29,941	37,775	34,100	34,100	34,100
SUPPLIES	125,520	131,103	132,000	136,500	136,500	136,500
NON-CAPITAL EQUIPMENT	55,031	77,476	50,500	53,500	53,500	53,500
OTHER MATERIALS & SERVICES	41,254	40,853	41,800	43,000	43,000	43,000
MATERIALS & SERVICES Total:	658,267	626,003	696,175	714,025	714,025	714,025
CAPITAL OUTLAY						
VEHICLES	174,765	166,666	396,850	182,100	182,100	182,100
EQUIPMENT	85,070	47,480	-	-	-	-
CAPITAL OUTLAY Total:	259,835	214,146	396,850	182,100	182,100	182,100
ExpCategory: 81 - OTHER FINANCING USE						
50 - INTER-FUND TRANSFER OUT	-	-	70,000	-	-	-
ExpCategory: 81 - OTHER FINANCING USE Total:	-	-	70,000	-	-	-
Department: 11 - POLICE Total:	5,527,244	5,527,087	6,252,750	6,060,650	6,060,650	6,060,650

Capital Outlay Schedule

ITEM	PROPOSED EXPENDITURE
Vehicles	
Patrol SUV's	\$ 182,100
Total Vehicles	182,100
Total Police Department	\$ 182,100



General Fund

Code Enforcement

Appropriated: \$210,475

Description

The livability, safety and cleanliness of Klamath Falls are Code Enforcement's overall purpose. Code Enforcement strives to improve the livability of Klamath Falls through proactive education, prevention, and enforcement. The Division also strives to relieve the workload of sworn officers by handling calls regarding civil issues, traffic complaints, and other minor infractions. Code Enforcement is committed to maintaining a strong alliance with our community and a strong emphasis on addressing livability issues as they arise. The Code Enforcement Division supervises the City of Klamath Falls Community Service Program, allowing them to better address community livability concerns.

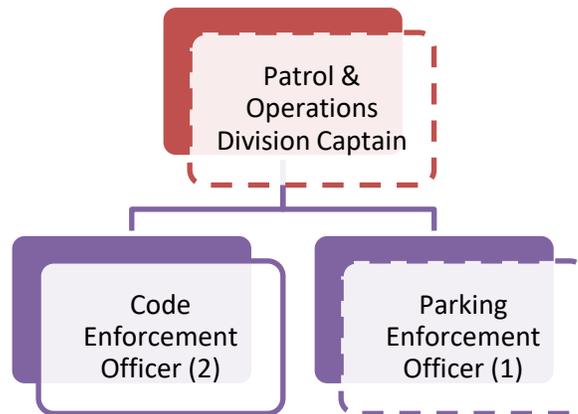
2018-2019 Goals

- Complete 25 Community Service Projects throughout the City limits of Klamath Falls in high visibility areas to enhance community beautification.
- Abate identified graffiti within Klamath Falls within three (3) business days to increase perceptions of safety and community pride.
- Work with other City Departments to identify objectives that positively impact livability in highly visible community locations.
- Integrate Parking Enforcement personnel and duties to enhance Division efficiency in addressing blight issues.

2017-2018 Goal Outcomes

- ● Complete 25 Community Service Projects throughout the City limits of Klamath Falls in high visibility areas to enhance community beautification.
- ● Abate identified graffiti within Klamath Falls within 3 business days to increase perceptions of safety and community pride.
 - Ongoing goal and process.
- ● Develop and distribute educational fliers and public service announcements regarding common code violations in distressed neighborhoods to increase voluntary compliance.
- ● Enhance cooperation with community partners to remedy and/or abate structures deemed to be community health hazards.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 12 - CODE ENFORCEMENT						
Expenses						
PERSONNEL SERVICES						
SALARIES	90,506	94,505	98,850	102,775	102,775	102,775
BENEFITS	43,145	42,618	49,050	49,275	49,275	49,275
PERSONNEL SERVICES Total:	133,651	137,123	147,900	152,050	152,050	152,050
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	17,337	14,675	30,000	30,100	30,100	30,100
UTILITIES	3,635	5,794	5,225	6,125	6,125	6,125
MAINTENANCE & REPAIRS	5,461	2,780	4,250	4,300	4,300	4,300
INSURANCE	959	1,223	1,300	1,925	1,925	1,925
COMMUNICATIONS	5,577	4,387	5,300	7,000	7,000	7,000
ADVERTISING	403	723	450	450	450	450
TRAVEL/TRAINING	1,239	1,315	1,825	1,825	1,825	1,825
SUPPLIES	2,566	2,665	3,450	4,750	4,750	4,750
NON-CAPITAL EQUIPMENT	3,974	2,633	1,000	1,000	1,000	1,000
OTHER MATERIALS & SERVICES	213	153	850	950	950	950
MATERIALS & SERVICES Total:	41,364	36,348	53,650	58,425	58,425	58,425
CAPITAL OUTLAY						
VEHICLES	-	33,438	-	-	-	-
CAPITAL OUTLAY Total:	-	33,438	-	-	-	-
Department: 12 - CODE ENFORCEMENT Total:	175,015	206,910	201,550	210,475	210,475	210,475



General Fund

Legislative

Appropriated: \$198,850

Description

The Legislative Department is comprised of the Mayor, City Council and the City Recorder. City Council is responsible for enacting City laws and formulating City Policy as required by the City Charter. Members are elected to serve as the City’s governing body. The City Council appoints the City Manager, City Attorney and Municipal Court Judge. The Mayor presides over City Council meetings, City ceremonies, appoints City committee members and is elected for a four-year term. The City is divided into five (5) Wards with a Council Member representing each Ward. Council members also serve a four-year term.

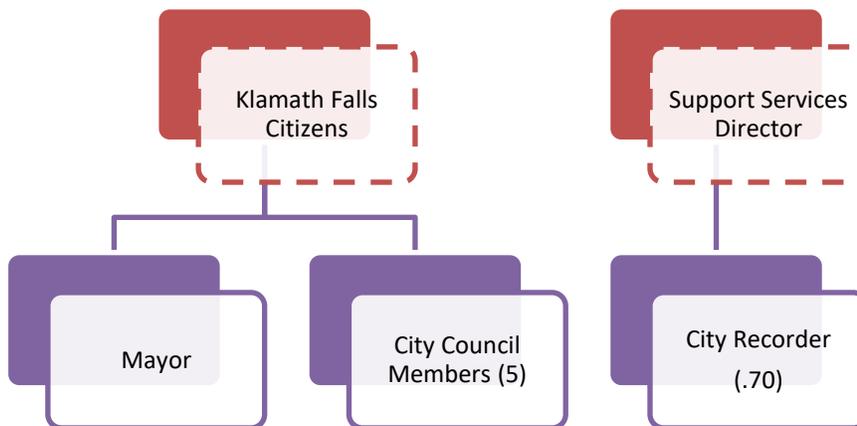
2018-2019 City Recorder Goals

- Continue to streamline at least two (2) processes through innovation and education.
- City Recorder attend two (2) OAMR/IIMC trainings to further commitment towards Certified Municipal Court (CMC) certification.
- Facilitate trainings on ethics and public records for public officials.

2017-2018 Goal Outcomes

- Maintain all required work as routinely reported to Mayor and Council; and implement new Agenda Software/Process through BoardDocs Pro.
- Attend NW Regional Professional Development Academy I for OAMR Certification.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 13 - LEGISLATIVE						
Expenses						
PERSONNEL SERVICES						
SALARIES	8,400	8,400	61,400	61,875	61,875	61,875
BENEFITS	59,501	47,024	55,125	56,325	56,325	56,325
PERSONNEL SERVICES Total:	67,901	55,424	116,525	118,200	118,200	118,200
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	689	1,305	26,200	26,250	26,250	26,250
MAINTENANCE & REPAIRS	2,273	-	10,000	8,000	8,000	8,000
INSURANCE	782	213	225	250	250	250
COMMUNICATIONS	1,294	1,095	1,550	1,250	1,250	1,250
ADVERTISING	3,596	9,587	15,400	15,400	15,400	15,400
TRAVEL/TRAINING	17,042	20,374	22,500	23,000	23,000	23,000
SUPPLIES	2,955	2,507	4,700	4,200	4,200	4,200
NON-CAPITAL EQUIPMENT	602	130	1,000	2,000	2,000	2,000
OTHER MATERIALS & SERVICES	177	50	300	300	300	300
MATERIALS & SERVICES Total:	29,410	35,261	81,875	80,650	80,650	80,650
Department: 13 - LEGISLATIVE Total:	97,311	90,686	198,400	198,850	198,850	198,850



General Fund

Maintenance

Appropriated: \$987,475

Description

The Maintenance Division has ten full-time employees providing carpentry, electrical, plumbing, HVAC, water, wastewater, and janitorial services to all departments and divisions within the City.

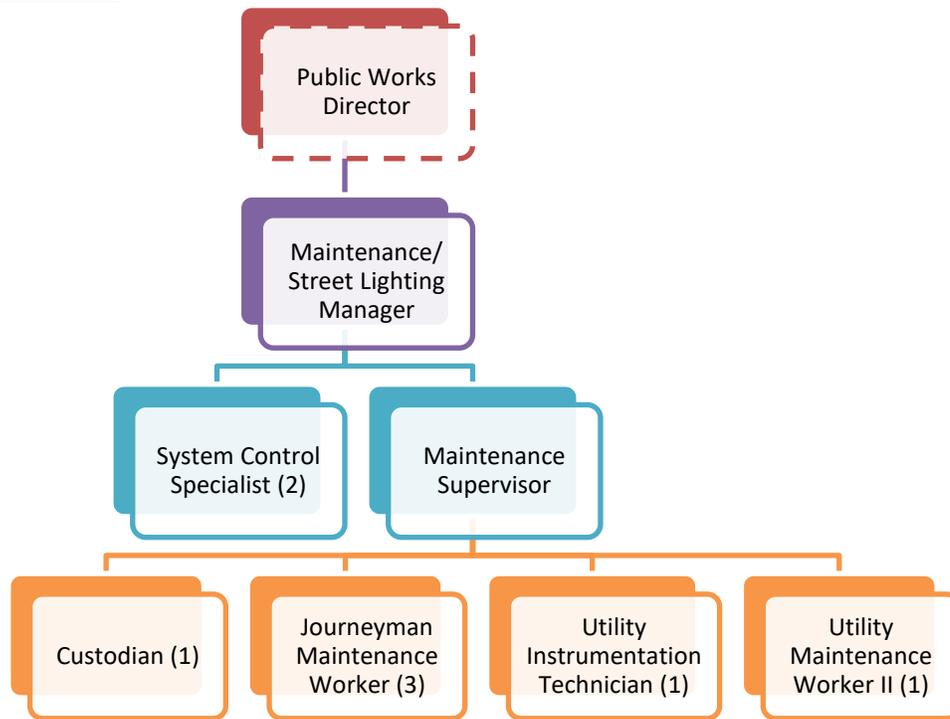
2018-2019 Goals

- Perform an energy audit for the South Portal facility to identify possible future energy savings.
- Install new electrical panels, circuitry and outlets for holiday festivities on Main Street.
- Retrofit existing fluorescent fixtures with LED technology at City Hall.
- Repaint exterior accents and architectural columns at City Hall.

2017-2018 Goal Outcomes

- ● Assess aging facilities and implement repairs for noted deficiencies to our Capital Improvement Plan.
- ● Train additional personnel in vibration analysis to ready for future retirement of personnel currently responsible for this task.
- ● Train new staff in SCADA processes and programming to compensate for personnel retiring next year.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total Activity	Total Activity	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 14 - MAINTENANCE SERVICES						
Expenses						
PERSONNEL SERVICES						
SALARIES	572,751	576,398	626,275	623,875	623,875	623,875
BENEFITS	269,596	250,299	318,750	301,900	301,900	301,900
PERSONNEL SERVICES Total:	842,347	826,697	945,025	925,775	925,775	925,775
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	912	6,405	2,000	3,000	3,000	3,000
UTILITIES	4,088	4,882	5,400	5,100	5,100	5,100
MAINTENANCE & REPAIRS	11,682	6,279	7,300	8,300	8,300	8,300
INSURANCE	4,612	4,710	4,900	6,350	6,350	6,350
COMMUNICATIONS	2,760	3,603	3,000	3,500	3,500	3,500
ADVERTISING	-	-	500	1,000	1,000	1,000
TRAVEL/TRAINING	2,141	3,982	4,400	4,400	4,400	4,400
SUPPLIES	10,518	11,227	15,800	15,800	15,800	15,800
NON-CAPITAL EQUIPMENT	2,265	5,220	6,500	13,500	13,500	13,500
OTHER MATERIALS & SERVICES	-	132	750	750	750	750
MATERIALS & SERVICES Total:	38,977	46,440	50,550	61,700	61,700	61,700
Department: 14 - MAINTENANCE SERVICES Total:	881,324	873,137	995,575	987,475	987,475	987,475



General Fund

Facilities Maintenance

Appropriated: \$164,875

Description

The Facilities Maintenance division accounts for the facility maintenance costs at 226 S. 5th St., and 500 Klamath Ave. This includes utilities, snow-weed removal, waste management services, janitorial supplies, building repairs, maintenance services, alarm monitoring, and all other building costs. For this budget, all expenses are facility related.

Budget Comments

For this budget year, 222 S. 6th St. was removed from this fund and put into Finance and Utility Billing budgets.

Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 15 - FACILITIES MAINTENANCE						
Expenses						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	101,427	84,261	800	-	-	-
UTILITIES	5,812	53,256	63,925	54,400	54,400	54,400
MAINTENANCE & REPAIRS	202	25,588	41,150	82,650	82,650	82,650
INSURANCE	-	6,934	8,050	7,825	7,825	7,825
OTHER MATERIALS & SERVICES	376	-	5,000	20,000	20,000	20,000
MATERIALS & SERVICES Total:	107,817	170,040	118,925	164,875	164,875	164,875
CAPITAL OUTLAY						
FACILITIES	60,472	-	60,000	-	-	-
CAPITAL OUTLAY Total:	60,472	-	60,000	-	-	-
Department: 15 - FACILITIES MAINTENANCE Total:	168,288	170,040	178,925	164,875	164,875	164,875



General Fund

Parks

Appropriated: \$1,915,850

Description

The Parks Division, a division of Development Services and the Public Works Department, manages and maintains the City Parks system consisting of over thirty areas totaling approximately 580 acres of land. These areas include pocket, neighborhood, community and regional parks; special use areas, such as boating facilities and sports fields; the Linkville Pioneer Cemetery, the Veteran's War Memorial and Ella Redkey Pool.

The Parks Division also manages natural open spaces, remnant forestland, downtown landscapes, urban beautification areas, and provides maintenance support to Kiger Stadium and Steen Sports Park.

The Parks staff includes one manager, one supervisor, four (4) permanent maintenance workers, and summer seasonal workers. The Division's administrative assistant duties are distributed between two (2) Development Services positions and one (1) Administrative Assistant position.

2018-2019 Division Goals

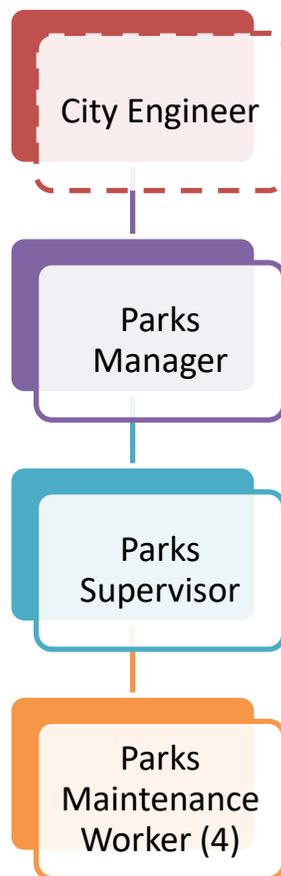
- Complete City Parks Master Plan for guidance with Parks system improvement priorities.
- Partner with Klamath Trails Alliance to accomplish Moore Park trail improvement projects.
- Secure grant funding to further improve and upgrade parks facilities in accordance with CIP: Mills playground and basketball court; Veteran's dock replacements; and urban landscape beautification.
- Grow community partnerships through "friend raising" efforts to further enhance park system.
- Target and complete urban landscaping projects for community beautification.
- Increase park visitor safety through installation of surveillance systems in select parks.

2017-2018 Division Goal Outcomes

- ● Update Parks Master Plan.
 - The Parks Master Plan is currently in Phase 3 of 4 phases, with completion by October 2018.
- ● Construct Lake Ewauna Trail.
 - The Lake Ewauna Trail construction has begun and is currently underway, with expected completion by fall of 2018.
- ● Landscape Dr. Tom Tucker Trail at Kit Carson Park.
 - Dr. Tucker Trail is in the first year of a multiyear landscaping project.
- ● Acquire funding for Mills Park playground; construction 2018-20. Mills Park playground grant proposals secured for \$75,000 to date.

- ● Evaluate opportunities and develop an approach to expand community recreational use of Veterans Park and Veterans Marina facilities.
 - Plans to replace deteriorating docks at Veterans Marina, with assistance from agency and community partners underway.
- ● Seek partnerships to assist with beautification within the focus corridors.
 - Anticipated Summer 2018 completion of center median landscaping at Upham and Prospect streets in conjunction with City micro-surfacing and protected bike lane projects.
- ● Develop a plan to replace Downtown corridor street trees with improved tree selections. First Year downtown tree replacement work complete, with annual replacement work planned.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 40 - PARKS						
Expenses						
PERSONNEL SERVICES						
SALARIES	273,488	312,973	322,175	321,250	321,250	321,250
BENEFITS	145,514	146,052	172,250	179,625	179,625	179,625
PERSONNEL SERVICES Total:	419,001	459,025	494,425	500,875	500,875	500,875
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	127,806	118,970	161,700	154,500	154,500	154,500
UTILITIES	74,714	71,498	82,700	96,475	96,475	96,475
MAINTENANCE & REPAIRS	81,652	117,590	127,300	164,500	164,500	164,500
INSURANCE	10,995	14,122	12,425	13,250	13,250	13,250
COMMUNICATIONS	3,456	5,170	5,250	7,900	7,900	7,900
ADVERTISING	157	137	5,000	5,800	5,800	5,800
TRAVEL/TRAINING	6,038	4,128	7,500	6,000	6,000	6,000
SUPPLIES	23,177	29,481	33,800	38,700	38,700	38,700
NON-CAPITAL EQUIPMENT	12,970	17,813	14,200	20,700	20,700	20,700
OTHER MATERIALS & SERVICES	79	708	51,875	900	900	900
LICENSES AND PERMITS	45	-	100	750	750	750
MATERIALS & SERVICES Total:	341,088	379,617	501,850	509,475	509,475	509,475
CAPITAL OUTLAY						
FACILITIES	-	-	-	40,000	40,000	40,000
VEHICLES	-	19,600	46,500	-	-	-
EQUIPMENT	5,200	12,143	90,000	45,000	45,000	45,000
INFRASTRUCTURE	110,502	136,879	1,536,400	820,500	820,500	820,500
CAPITAL OUTLAY Total:	115,702	168,622	1,672,900	905,500	905,500	905,500
Department: 40 - PARKS Total:	875,792	1,007,265	2,669,175	1,915,850	1,915,850	1,915,850

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Facilities	
Moore Park Shop Power	\$ 40,000
Total Facilities	40,000
Equipment	
Skid Steer Loader	45,000
Total Equipment	45,000
Infrastructure	
Lake Ewauna Trail	590,500
Urban Beautification Landscaping	30,000
Kit Carson Trail Network Landscaping	35,000
Veteran's Memorila Park Dock Replacement	35,000
Moore Park Road Repairs	30,000
Mills Park Payground Structure	100,000
Total Infrastructure	820,500
Total Parks Operations	\$ 905,500



General Fund

Ella Redkey Pool

Appropriated: \$441,850

Description

The Ella Redkey Pool Division is responsible for the management and maintenance of the City's geothermally heated, outdoor swimming pool. The pool is open to the public year-round.

Budget Comments

Infrastructure Maintenance has increased to accommodate purchase of new titanium heat exchanger plates. Plates are exchanged and tested every two years. Software licensing has increased for a Parks and Recreation module replacement. One FTE was moved from the Pool to Support Services.

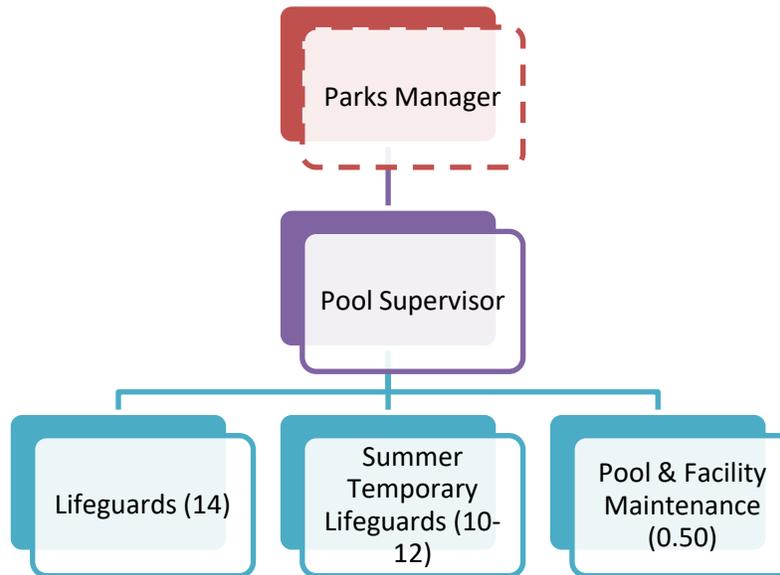
2018-2019 Goals

- Implement and launch a new Parks and Recreation membership scan-in reporting software to help track/ monitor swim pass programs, and an up-to-date customer service portal.
- Renovate the surge tank to insure continued use for many years.
- Assess Pool facilities and implement repairs for noted deficiencies to ensure sustainability and Capital Improvement Plan.
- Enhance cooperation with community partners to expand pool utilization and community vitality.

2017-2018 Goal Outcomes

- ● Develop funding mechanisms to help supplement funding resources. Work to aggressively pursue grant funding from local, state and federal sources. Encourage private cooperation through wellness program initiatives and community fitness programs.
- ● Structure additional programs to meet the needs of the community.
 - Additional programming is ongoing and are anticipated to take effect in the summer seasons. We have enhanced the structure and coaching in our year-round programming by obtaining coaching certifications and increasing participant activities.
- ● Be proactive in meeting the aquatic recreational needs of the community by providing a high level of customer service through aquatic programs while maintaining a safe and enjoyable environment at the Ella Redkey Pool.
- ● Support City wide projects as directed by the City Manager.
 - Staff anticipated pursuing City wide projects; however, pool staff has not had the available time to begin. More discussion around City Wide projects will be held throughout this next fiscal year.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total Activity	Total Activity	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 41 - PARKS ELLA REDKEY POOL						
Expenses						
PERSONNEL SERVICES						
SALARIES	155,680	172,012	208,875	160,400	160,400	160,400
BENEFITS	26,628	28,401	66,250	66,425	66,425	66,425
PERSONNEL SERVICES Total:	182,308	200,414	275,125	226,825	226,825	226,825
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	10,064	3,519	10,000	5,000	5,000	5,000
UTILITIES	46,149	46,653	42,800	49,975	49,975	49,975
MAINTENANCE & REPAIRS	12,870	35,926	14,400	36,400	36,400	36,400
INSURANCE	2,497	2,797	2,725	2,775	2,775	2,775
COMMUNICATIONS	2,858	4,199	3,150	2,450	2,450	2,450
ADVERTISING	3,005	2,783	4,000	4,500	4,500	4,500
TRAVEL/TRAINING	560	1,286	1,500	2,775	2,775	2,775
SUPPLIES	31,003	36,955	31,050	35,600	35,600	35,600
NON-CAPITAL EQUIPMENT	2,300	1,460	1,500	4,500	4,500	4,500
OTHER MATERIALS & SERVICES	-	16	150	500	500	500
LICENSES AND PERMITS	395	395	425	550	550	550
MATERIALS & SERVICES Total:	111,703	135,989	111,700	145,025	145,025	145,025
CAPITAL OUTLAY						
FACILITIES	4,758	-	35,000	-	-	-
EQUIPMENT	8,493	-	10,000	-	-	-
INFRASTRUCTURE	6,433	2,365	159,200	70,000	70,000	70,000
CAPITAL OUTLAY Total:	19,684	2,365	204,200	70,000	70,000	70,000
Department: 41 - PARKS ELLA REDKEY POOL Total:	313,695	338,768	591,025	441,850	441,850	441,850

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Infrastructure	
Sidewalk Repair	\$ 25,000
Surge Tank Repair	25,000
Geothermal Re-injection Engineering	20,000
Total Infrastructure	70,000
Total Ella Redkey Pool	\$ 70,000



General Fund

Streets

Appropriated: \$5,082,375

Description

The Streets Division accounts for street construction, maintenance and repair activities. The Streets Division's top priority is to maintain the City's rights-of-way in a safe condition for the public while maintaining 146 centerline miles and 301 travel lane miles. To keep the City's infrastructure in a safe and usable condition, the following maintenance operations are scheduled during the summer months: utility patching, street patching, maintenance overlays, crack patching/sealing, street striping, concrete repair, project inspections, and traffic control reviews regarding events and sweeping. In the winter months, snow and ice removal and snow hauling take a large portion of available staff time. However, when weather permits, street crews continue to make repairs and maintain a safe roadway.

Budget Comments

Street's budget continues to increase this year due to Capital Infrastructure and Capital Equipment purchases. There is one retirement budgeted.

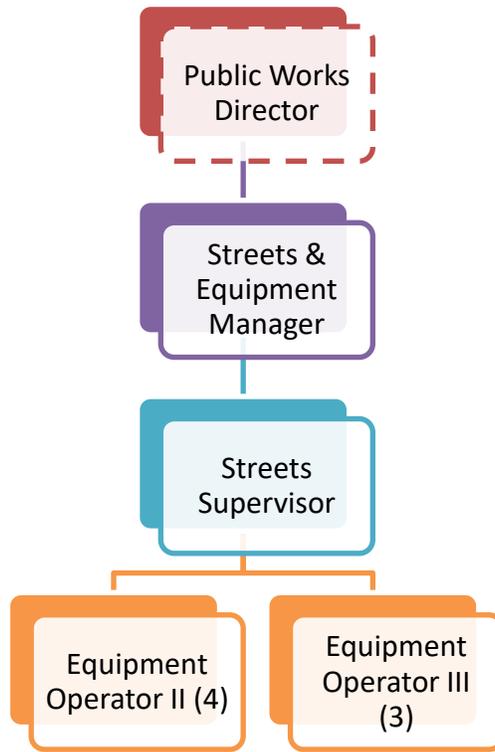
2018-2019 Goals

- Continue GPS Tracking Implementation to incorporate future work order process and Fleet Management.
- Utilize current asphalt management program to prioritize future capital improvement needs for capital expenditures.

2017-2018 Goal Outcomes

- ● Implement Pavement Management System to prioritize repair and determine future capital needs.
- ● Implement new GPS Tracking system to develop best practices for sweeping and snow removal.
- ● Compile Streets Division residential surveys and determine areas where improvements can be made.
 - Timing of Survey has not been determined.
- ● Identify infrastructure needs and correct as funds permit in the focus corridors.
 - Additional work is scheduled for the focus areas and has not been completed at this time.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 50 - STREET MAINTENANCE						
Expenses						
PERSONNEL SERVICES						
SALARIES	545,040	560,145	622,350	617,200	617,200	617,200
BENEFITS	286,000	271,913	330,625	324,225	324,225	324,225
PERSONNEL SERVICES Total:	831,040	832,057	952,975	941,425	941,425	941,425
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	108,925	146,017	129,225	163,725	163,725	163,725
UTILITIES	40,134	38,542	35,600	41,125	41,125	41,125
MAINTENANCE & REPAIRS	271,675	261,225	312,200	421,000	421,000	421,000
RENTALS / LEASES	-	-	6,000	6,000	6,000	6,000
INSURANCE	21,383	22,595	23,475	25,400	25,400	25,400
COMMUNICATIONS	3,905	4,418	3,650	3,650	3,650	3,650
ADVERTISING	-	755	1,000	1,000	1,000	1,000
TRAVEL/TRAINING	4,062	1,883	7,250	6,750	6,750	6,750
SUPPLIES	39,084	39,402	57,800	44,500	44,500	44,500
NON-CAPITAL EQUIPMENT	6,960	7,697	17,500	37,000	37,000	37,000
OTHER MATERIALS & SERVICES	890	968	1,300	1,300	1,300	1,300
MATERIALS & SERVICES Total:	497,017	523,501	595,000	751,450	751,450	751,450
CAPITAL OUTLAY						
FACILITIES	-	8,819	-	-	-	-
VEHICLES	-	-	589,000	200,000	200,000	200,000
EQUIPMENT	55,380	30,083	119,000	30,000	30,000	30,000
INFRASTRUCTURE	406,061	1,290,963	2,205,000	3,159,500	3,159,500	3,159,500
CAPITAL OUTLAY Total:	461,441	1,329,864	2,913,000	3,389,500	3,389,500	3,389,500
Department: 50 - STREET MAINTENANCE Total:	1,789,498	2,685,423	4,460,975	5,082,375	5,082,375	5,082,375

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Equipment	
Pickup Plows	\$ 15,000
6 Yard Sanders	15,000
Total Equipment	30,000
Vehicles	
10 Yard Dump Truck with Plow	180,000
Sweeper Components	20,000
Total Vehicles	200,000
Infrastructure	
Brett Way Extension	50,000
Chip Seal Program	100,000
City Bridge Maintenance (11 various bridge)	50,000
Crack Seal Program	100,000
Micro Seal Program	350,000
Eldorado Ave Improvement Project	707,500
Washburn Way Sidewalks-Phase II	722,000
ADA Improvement Program	50,000
Campus & Daggett Intersection Improvements	1,000,000
Portland Street/ CLP Quiet Zone	30,000
Total Infrastructure	3,159,500
Total Streets	\$ 3,389,500



General Fund

Vehicle Maintenance

Appropriated: \$248,100

Description

The Vehicle Maintenance Division maintains and repairs all the City's vehicles and heavy equipment. The average age of the Fleet is 9.5 years and is maintained and repaired by two ASE certified mechanics. The shop maintains up-to-date and accurate records on 290 vehicles and pieces of equipment to ensure that service and repairs are done in a timely manner. Regular service and prompt repairs extend the useful life of the assets and reduce operational costs.

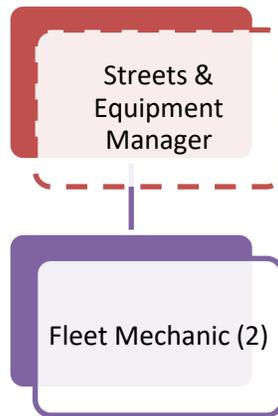
2018-2019 Goals

- Complete implementation of the current fleet management software with the new GPS tracking software.
- Schedule training for Fleet staff in the fleet management system.
- Analyze baseline data from RTA software to look for opportunities to reduce unscheduled vehicle downtime.

2017 – 2018 Goal Outcomes

- ● Integrate the current fleet management software with the new GPS tracking software to help track and monitor operations.
 - Implementation is still in process and will be completed in FY 18-19.
- ● Conduct a Survey for parts and materials to ensure the best price for overall cost savings.
 - Data will continually be collected to review cost savings. Consistent process.
- ● Schedule training for Fleet staff in the fleet management system.
 - Staffing and time did not allow this training. Continued goal for 18-19.
- ● Analyze baseline data from RTA software to look for opportunities to reduce unscheduled vehicle downtime.
 - Analyzation continued to 18-19.

Organizational Chart



Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Fund: 101 - GENERAL FUND						
Department: 51 - VEHICLE MAINTENANCE						
Expenses						
PERSONNEL SERVICES						
SALARIES	122,809	105,073	121,275	125,375	125,375	125,375
BENEFITS	59,212	43,700	54,850	54,550	54,550	54,550
PERSONNEL SERVICES Total:	182,020	148,774	176,125	179,925	179,925	179,925
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	23	1,198	1,900	1,900	1,900	1,900
MAINTENANCE & REPAIRS	835	2,702	11,100	11,100	11,100	11,100
INSURANCE	809	827	875	650	650	650
COMMUNICATIONS	415	413	500	500	500	500
TRAVEL/TRAINING	6,210	7	6,500	5,025	5,025	5,025
SUPPLIES	15,850	41,810	44,000	44,100	44,100	44,100
NON-CAPITAL EQUIPMENT	3,950	3,740	4,900	4,900	4,900	4,900
MATERIALS & SERVICES Total:	28,092	50,696	69,775	68,175	68,175	68,175
CAPITAL OUTLAY						
INTANGIBLE	12,186	-	-	-	-	-
EQUIPMENT	9,491	-	-	-	-	-
CAPITAL OUTLAY Total:	21,677	-	-	-	-	-
Department: 51 - VEHICLE MAINTENANCE Total:	231,790	199,469	245,900	248,100	248,100	248,100



General Fund

Street Lighting

Appropriated: \$192,400

Description

The Street Lighting Division of the General Fund accounts for the operation and maintenance of the City's streetlights. Revenues consist of a \$2.50 per month charge to City residents for the maintenance of, and addition of, new streetlights annually. The Street Lighting Division is comprised of the same personnel within the Maintenance Division and is housed in the same facility. Street Lighting is maintained and modified via online requests or phone-in reports of lighting concerns from citizens within the City limits.

2018-2019 Goals

- Install Phase II of remote reporting street lighting hardware.
- Address and install new lights for dark areas identified in focus corridors.
- Assess and identify areas for tree trimming to increase street lighting coverages.

2017-2018 Goal Outcomes

- Implement the launch of new Street Lighting reporting software.
- Track and record reduction in maintenance activity and power savings.
- Purchase a new Basket Truck for the Division.
- Assess and model street lighting for dark spots in the focus corridors.

Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total Activity	Total Activity	Total	Proposed	Approved	Adopted
Fund: 101 - GENERAL FUND						
Department: 61 - STREET LIGHTING						
Expenses						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	1,249	1,868	16,000	-	-	-
UTILITIES	118,469	104,651	93,000	85,000	85,000	85,000
MAINTENANCE & REPAIRS	21,461	17,230	20,800	20,800	20,800	20,800
INSURANCE	1,142	811	875	850	850	850
TRAVEL/TRAINING	2,274	3,310	2,100	2,000	2,000	2,000
SUPPLIES	543	706	750	750	750	750
NON-CAPITAL EQUIPMENT	1,889	1,699	3,000	3,000	3,000	3,000
MATERIALS & SERVICES Total:	147,026	130,276	136,525	112,400	112,400	112,400
CAPITAL OUTLAY						
VEHICLES	-	-	110,000	-	-	-
EQUIPMENT	158,722	9,670	50,000	50,000	50,000	50,000
INFRASTRUCTURE	-	54,221	-	30,000	30,000	30,000
CAPITAL OUTLAY Total:	158,722	63,891	160,000	80,000	80,000	80,000
Department: 61 - STREET LIGHTING Total:	305,748	194,167	296,525	192,400	192,400	192,400

Capital Outlay

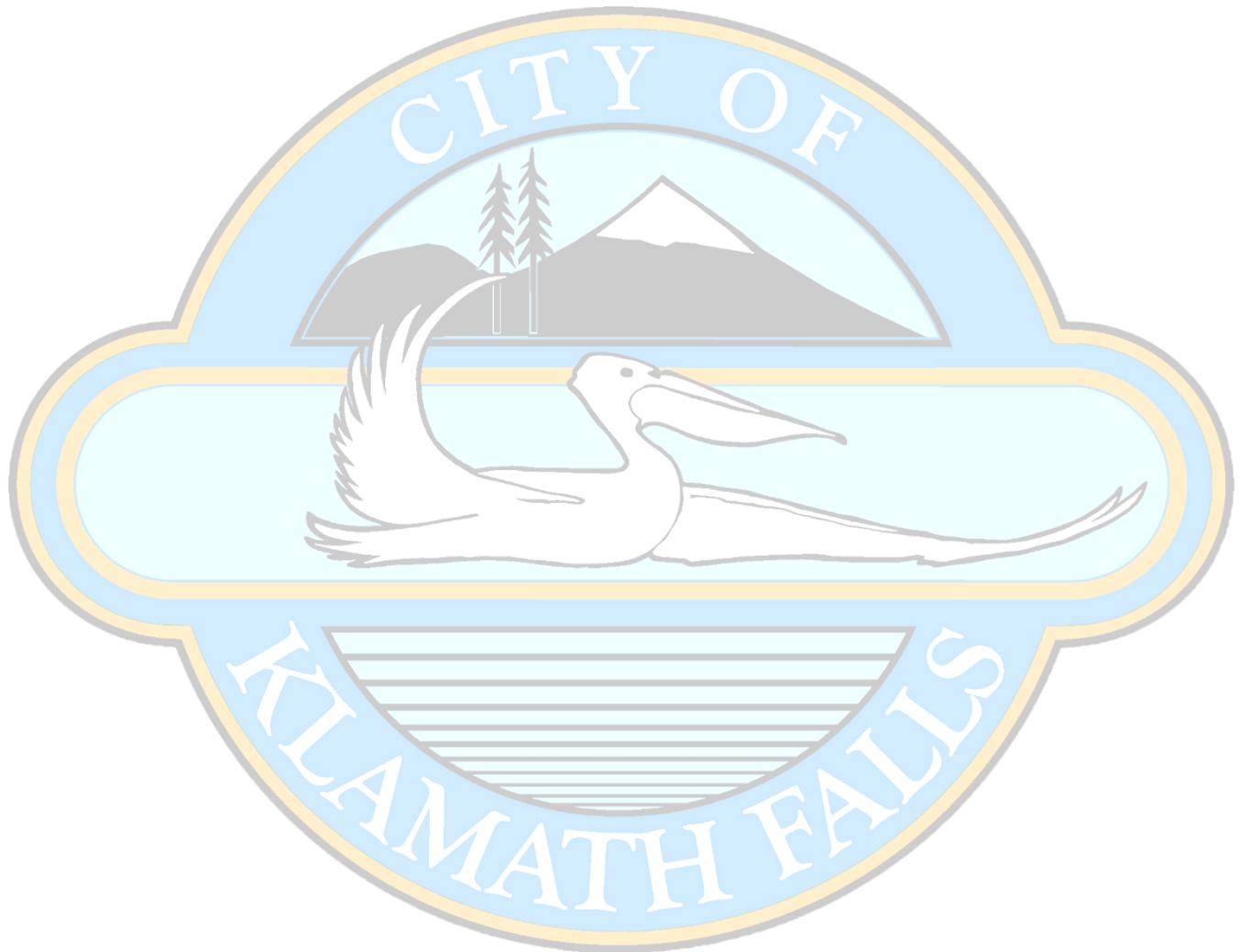
ITEM	PROPOSED EXPENDITURE
Infrastructure	
Downtown Electrical Light Improvements	\$ 30,000
Total Vehicles	30,000
Equipment	
ROAM Photo Cell	50,000
Total Equipment	50,000
Total Street Lighting Division	\$ 80,000



General Fund

All Other Unallocated Requirements

Fund: 101 - GENERAL FUND	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Expenses	Total	Total	Total	Proposed	Approved	Adopted
DEBT SERVICE						
DEBT PRINCIPAL	165,000	539,281	175,000	185,000	185,000	185,000
DEBT INTEREST	130,633	124,445	117,650	110,650	110,650	110,650
DEBT SERVICE Total:	295,633	663,726	292,650	295,650	295,650	295,650
OTHER FINANCING USE						
INTER-FUND TRANSFER OUT	60,000	22,000	294,125	211,775	211,775	211,775
OTHER FINANCING USE Total:	60,000	22,000	294,125	211,775	211,775	211,775
RESERVED FOR FUTURE						
RESERVED FOR FUTURE	-	-	10,158,850	10,123,925	10,123,925	10,123,925
RESERVED FOR FUTURE Total:	-	-	10,158,850	10,123,925	10,123,925	10,123,925
ENDING BALANCE	11,204,546	11,599,914	-	-	-	-
Unallocated Requirements Total:	11,560,179	12,285,640	10,745,625	10,631,350	10,631,350	10,631,350
Fund: 101 - GENERAL FUND Total:	25,303,194	27,054,580	30,709,650	30,546,350	30,546,350	30,546,350



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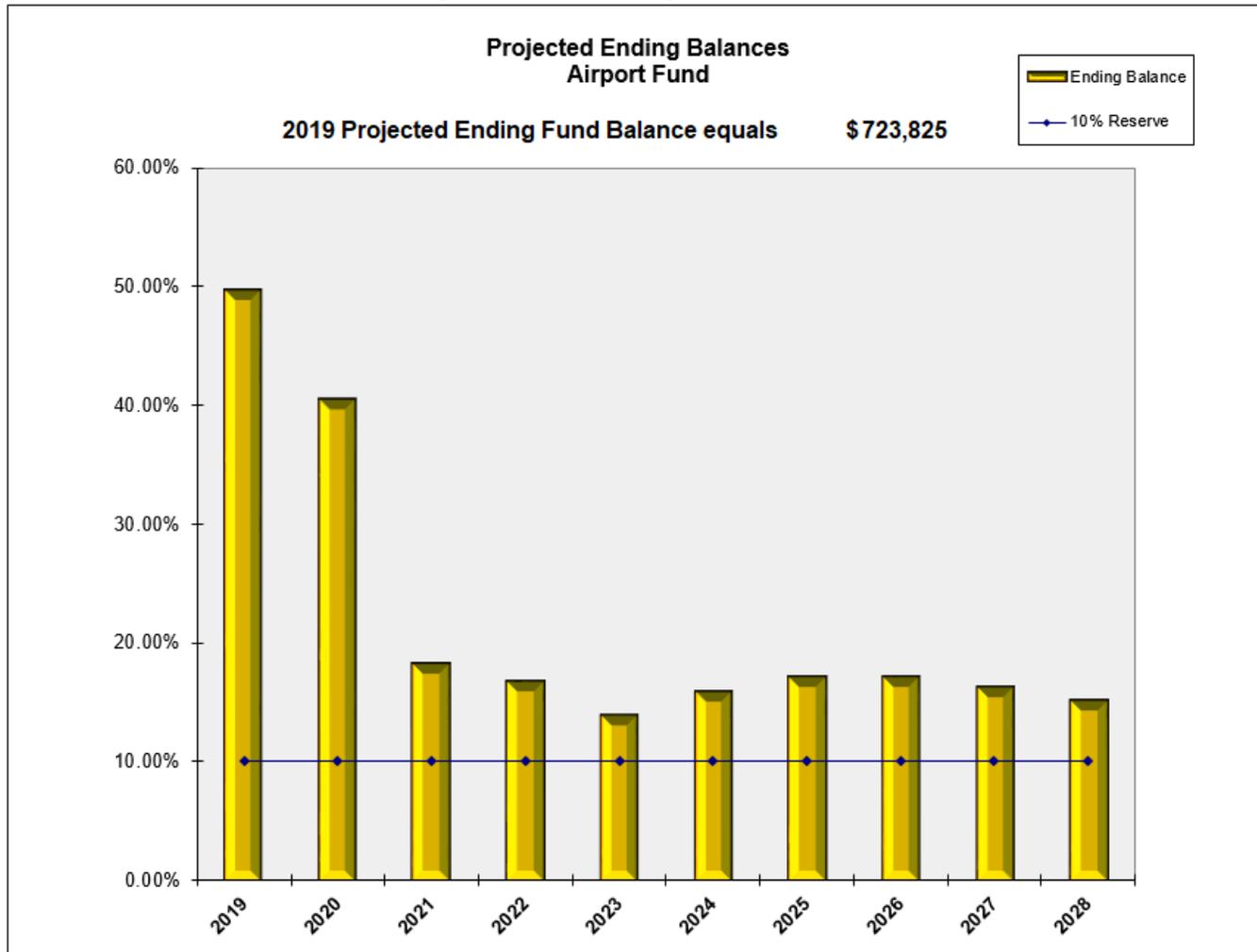


Airport Fund

The Airport Fund accounts for the operation of the Crater Lake – Klamath Regional Airport. Revenues consist of FAA funding, property taxes, 75% of transient room tax, rental revenue, landing fees, other grant funding, and miscellaneous sources.

Estimated Resources:	\$ 7,852,375
Appropriated:	\$ 7,128,550
Reserved for Future Requirements:	\$ 723,825
Total Fund Requirements:	\$ 7,852,375

Airport Fund 10-year forecast



Airport Fund #106 Resources

Fund: 106 - AIRPORT FUND	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Revenues						
NET WORKING CAPITAL	1,399,706	1,435,529	1,529,700	2,484,150	2,484,150	2,484,150
PROPERTY TAXES PREVIOUSLY LEVIED	19,970	19,610	12,150	11,350	11,350	11,350
INTERGOVERNMENTAL	927,634	3,033,331	10,637,925	3,687,900	3,687,900	3,687,900
CHARGES FOR SERVICES	469,531	573,385	644,750	508,275	508,275	508,275
INVESTMENT INCOME	13,281	18,379	16,650	16,550	16,550	16,550
OTHER REVENUES	1,114	112,084	1,000	1,000	1,000	1,000
OTHER FINANCING SOURCES	296,130	432,325	1,994,625	858,800	858,800	858,800
Fund: 106 - Resources Except Taxes Levied Total:	3,127,366	5,624,643	14,836,800	7,568,025	7,568,025	7,568,025
PROPERTY TAXES NECESSARY TO BALANCE			266,625	284,350	284,350	284,350
PROPERTY TAXES COLLECTED IN YEAR LEVIED	324,097	348,960				
Fund: 106 - AIRPORT FUND Total:	3,451,463	5,973,603	15,103,425	7,852,375	7,852,375	7,852,375



Airport Fund

Airport Operations Division

Appropriated: \$5,979,575

Description

The Airport Fund develops, operates and maintains the Crater Lake-Klamath Regional Airport. The Airport is responsible for facility operation and maintenance of runways, taxiways, associated structures and open areas within the Airport Operations Area. (The paved surfaces within the AOA represent approximately 100 lane miles of asphalt and concrete.) At the Airport, the City owns seven buildings, including the Airport Office, Summers Lane Office and Storage, Airport Terminal, Airport Shop, and the buildings housing Century Aviation (the designated FBO) and Pelican Aviation, a flight training center. Commercial air service ceased in October 2017 when PenAir filed for Bankruptcy. Airport staff continues to search for a replacement carrier. Located apart from the Airport, the staff maintains the Modoc Wetlands, a habitat project that provides mitigation to previous wetlands on the Airport thereby enhancing aviation safety. The Airport operates as one of six Part 139 certificated airports in Oregon. In addition to the listed facilities, a major lighted parking lot is maintained. The Airport has approximately 20+ acres of business park property available for development along with 200+ acres of aviation development area. The major tenant at the Airport is the Oregon Air National Guard. The Air National Guard has a Joint Use Agreement (AJUA) with the City for use of the airfield. The local grant match for the Airport is 6.25% of the eligible FAA capital project costs.

2018-2019 Goals

- Find a replacement scheduled passenger air carrier.
- Complete the Airport's Master Plan Update, incorporating the Air National Guard's installation plan.
- Complete construction of the maintenance hangar on the Airport's eastside.
- To ensure safety, continue high quality maintenance of airport facilities by successfully completing the FAA's Part 139 inspection thereby maintaining our certification.
- Focus on nonaviation economic development with the goal of recruiting the first tenant to the Airport Business Park.

2017-2018 Goal Outcomes

- ● Continue robust air service marketing campaign to achieve 10,000 enplaned passengers for calendar year 2017 which will qualify the Airport for \$1 million in FAA Airport Improvement Program grant funding beginning in September 2019.
 - PenAir filed for Bankruptcy
- ● Begin the Airport's Master Plan process to incorporate the Air National Guard's Installation Development Plan (IDP) and provide for the future growth of the Airport.

- To ensure safety, continue high quality maintenance of airport facilities by successfully completing the FAA’s Part 139 inspection thereby maintaining our certification.
- Complete construction of Taxiway B to enhance runway safety and provide economic development opportunities on the Airport’s eastside.
- Complete construction of the maintenance hangar on the Airport’s eastside.
 - Design and bidding took place prior to the end of the fiscal year. Construction will begin in Summer/Fall of 2018.
- Focus on nonaviation economic development with the goal of recruiting first tenant to Airport Business Park.
 - Marketing documents and advertisements were created and/or produced. Attended land development events to explore for potential tenants.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Fund: 106 - AIRPORT FUND	Total Activity	Total Activity	Total Budget	Proposed	Approved	Adopted
Department: 30 - AIRPORT						
Expense						
PERSONNEL SERVICES						
SALARIES	413,250	417,414	490,100	435,775	435,775	435,775
BENEFITS	138,750	137,584	225,325	141,250	141,250	141,250
PERSONNEL SERVICES Total:	552,000	554,998	715,425	577,025	577,025	577,025
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	136,472	56,696	220,300	194,075	194,075	194,075
UTILITIES	110,362	121,521	118,925	129,850	129,850	129,850
MAINTENANCE & REPAIRS	153,831	285,221	286,475	287,650	287,650	287,650
INSURANCE	50,393	50,182	60,000	53,925	53,925	53,925
COMMUNICATIONS	8,797	9,732	10,950	10,600	10,600	10,600
ADVERTISING	6,052	141,747	100,500	11,725	11,725	11,725
TRAVEL/TRAINING	13,358	16,250	13,375	20,000	20,000	20,000
SUPPLIES	17,292	23,822	18,800	13,975	13,975	13,975
NON-CAPITAL EQUIPMENT	4,914	4,538	2,300	5,000	5,000	5,000
OTHER MATERIALS & SERVICES	1,883	204,423	3,100	10,000	10,000	10,000
INTERNAL CHARGES FOR SERVICES	95,783	114,779	119,675	143,675	143,675	143,675
LICENSES AND PERMITS	1,390	1,329	1,500	1,500	1,500	1,500
MATERIALS & SERVICES Total:	600,527	1,030,240	955,900	881,975	881,975	881,975
CAPITAL OUTLAY						
FACILITIES	6,886	37,471	4,850,000	4,460,575	4,460,575	4,460,575
EQUIPMENT	22,489	25,704	-	60,000	60,000	60,000
INFRASTRUCTURE	20,554	-	150,000	-	-	-
CAPITAL OUTLAY Total:	49,928	63,175	5,000,000	4,520,575	4,520,575	4,520,575
Department: 30 - AIRPORT Total:	1,202,455	1,648,413	6,671,325	5,979,575	5,979,575	5,979,575

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Facilities	
Terminal Roof	\$ 75,000
Maintenance Hangar (Connect Oregon)	4,385,575
Total Facilities	4,460,575
Equipment	
Mower	60,000
Total Equipment	60,000
Total Operations Department	4,520,575



Airport Fund

FAA Grants Division

Appropriated: \$1,007,175

Requirements

	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Fund: 106 - AIRPORT FUND						
Department: 31 - AIRPORT FAA						
Expense						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	7,000	10,580	-	-	-	-
MATERIALS & SERVICES Total:	7,000	10,580	-	-	-	-
CAPITAL OUTLAY						
INFRASTRUCTURE	621,060	2,651,165	7,730,000	1,007,175	1,007,175	1,007,175
CAPITAL OUTLAY Total:	621,060	2,651,165	7,730,000	1,007,175	1,007,175	1,007,175
Department: 31 - AIRPORT FAA Total:	628,060	2,661,745	7,730,000	1,007,175	1,007,175	1,007,175

Capital Outlay

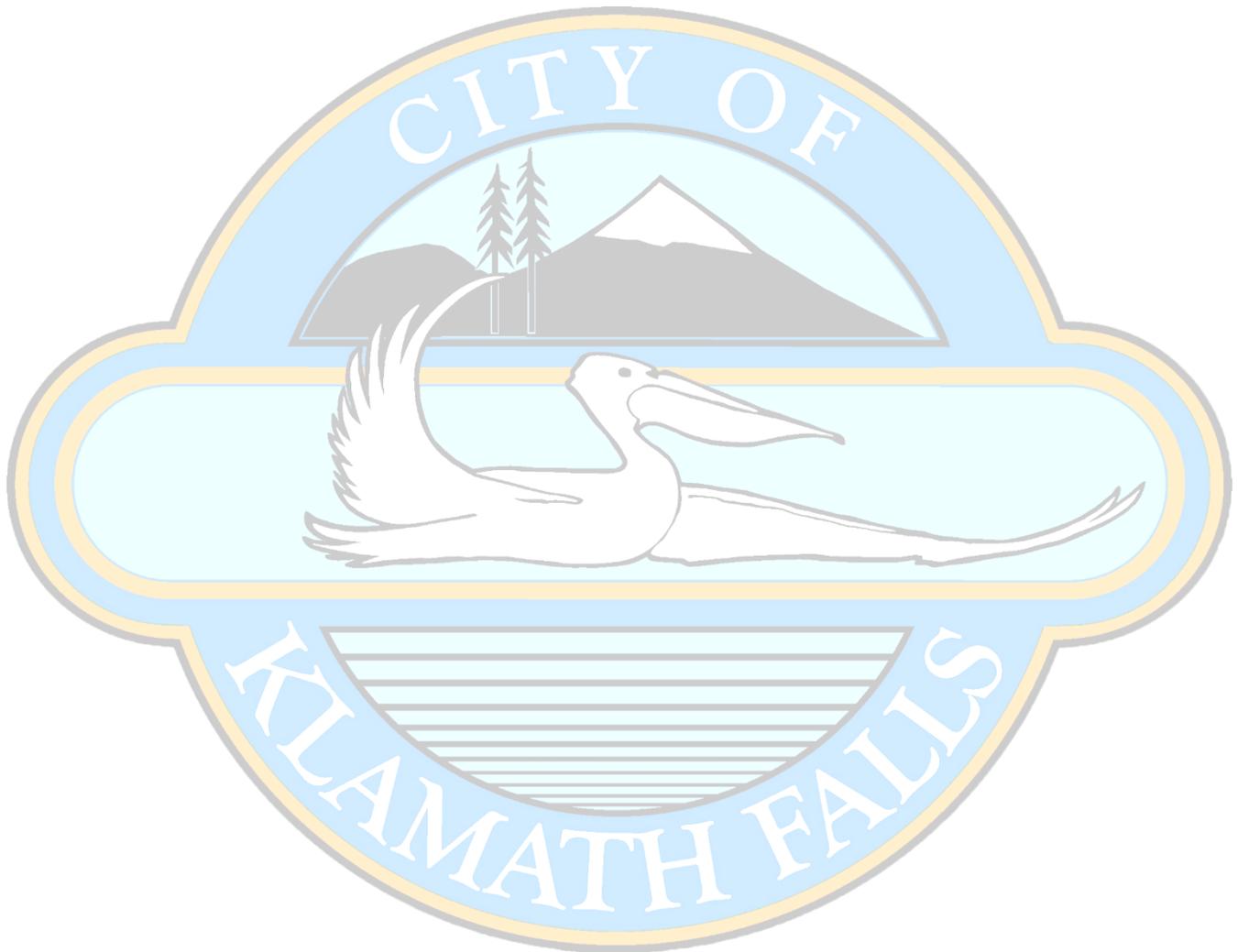
ITEM	PROPOSED EXPENDITURE
Infrastructure	
Taxiway G Rehab	500,000
Master Plan & Exhibit A Update (AGIS)	507,175
Total Infrastructure	1,007,175
Total FAA Grants Department	1,007,175



Airport Fund

All Other Unallocated Requirements

Fund: 106 - AIRPORT FUND	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Expense	Total Activity	Total Activity	Total Budget	Proposed	Approved	Adopted
DEBT SERVICE						
DEBT PRINCIPAL	165,000	122,188	127,825	95,800	95,800	95,800
DEBT INTEREST	20,419	11,563	5,925	46,000	46,000	46,000
DEBT SERVICE Total:	185,419	133,750	133,750	141,800	141,800	141,800
RESERVED FOR FUTURE	-	-	568,350	723,825	723,825	723,825
ENDING BALANCE	1,435,529	1,529,696	-	-	-	-
Unallocated Total:	1,620,948	1,663,446	133,750	141,800	141,800	141,800
Fund: 106 - AIRPORT FUND Total:	3,451,463	5,973,603	15,103,425	7,852,375	7,852,375	7,852,375



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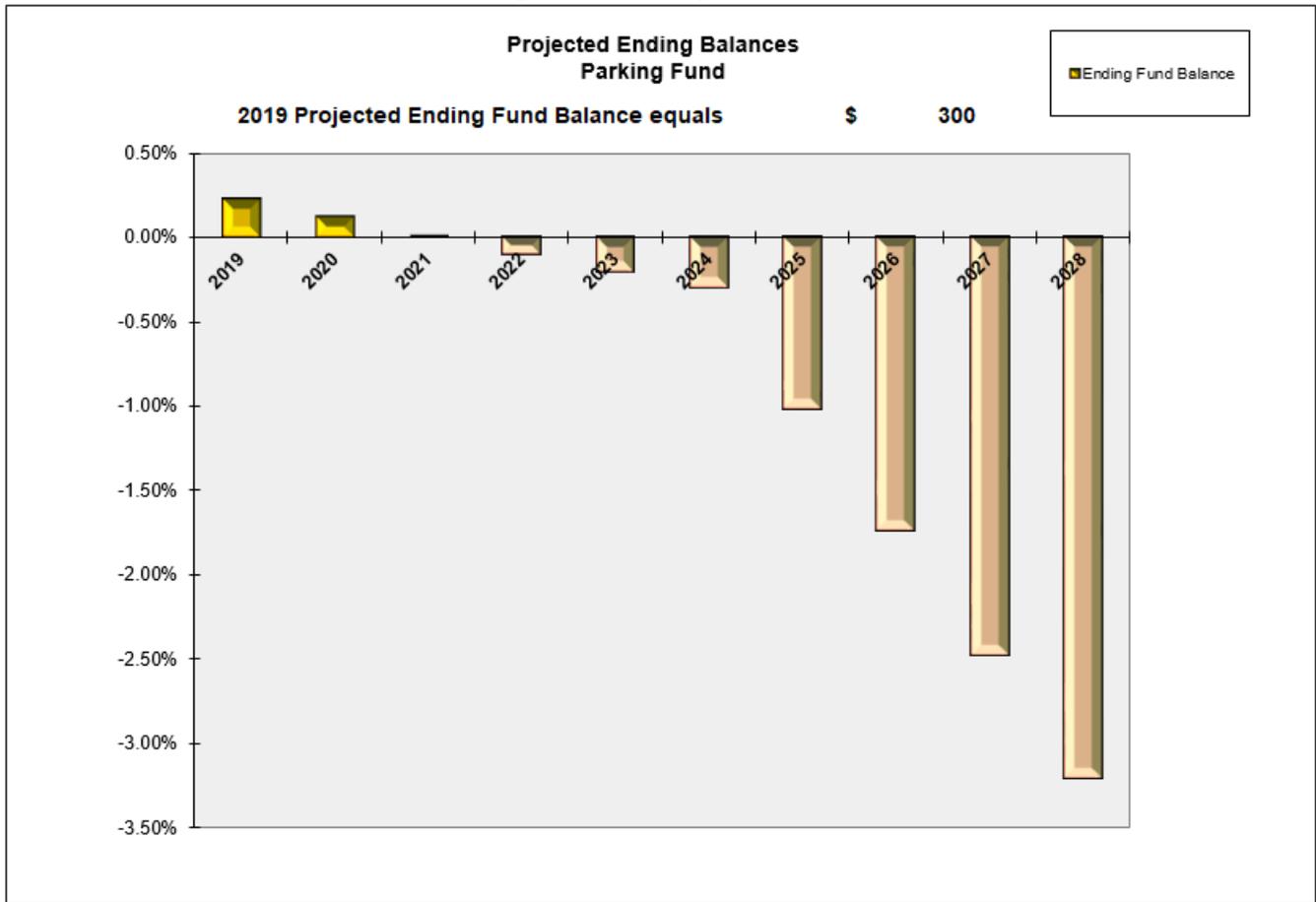


Parking Fund

The Parking Fund accounts for expenditures to provide (two hour) free parking for customers in downtown Klamath Falls. Revenues are primarily generated from employee parking fees and parking fines.

Estimated Resources:	\$ 133,650
Appropriated:	\$ 133,350
Reserved for Future Requirements:	\$ 300
Total Fund Requirements:	\$ 133,650

Parking Fund 10-year forecast



Parking Fund #112 Resources

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total Activity	Total Activity	Total Budget	Proposed	Approved	Adopted
Revenue						
NET WORKING CAPITAL	68,977	58,436	41,275	26,925	26,925	26,925
LICENSES, FEES & PERMITS	44,533	38,536	42,625	42,275	42,275	42,275
FINES & FORFEITURES	53,424	43,799	42,000	48,150	48,150	48,150
INVESTMENT INCOME	531	723	550	625	625	625
OTHER REVENUES	152	164	150	15,675	15,675	15,675
Fund: 112 - PARKING FUND Total:	167,618	141,658	126,600	133,650	133,650	133,650



Parking Fund

Parking

Appropriated: \$133,350

Description

The Parking District is essentially made up of free customer parking (2-hour parking) and employee parking. The majority of the customer parking is in the central part of downtown and extends the length of Main Street. Employee parking areas are on the edges of the District to provide the most convenient parking for customers. Employees are required to purchase parking permits allowing them to park all day in designated areas. A parking enforcement officer patrols the District; and the Downtown Advisory Committee, made up of downtown landowners and business owners, oversees the District. The fees collected via permits and parking enforcement go toward the maintenance of the District's eight parking lots and development of new parking areas. Each parking lot requires cleaning, landscape maintenance, and snow removal. Street-side parking spaces are painted on a bi-yearly basis.

Budget Comments

The fund requires a continual subsidy from the General Fund for the foreseeable future of approximately \$58,000 per year. Maintenance and repairs has increased to maintain parking lots.

2018-2019 Goals

- Develop and present a plan to the City Council to make the Parking District self-sufficient for all Personnel and Materials and Services costs.
- Establish a Residential Permit for downtown housing areas.
- Expand the District to cover other areas of the downtown with parking challenges

2017-2018 Goal Outcomes

- ● Determine the appropriate parking limits for on-street parking and parking lots.
 - The Parking board members sunset so a new group was only recently reestablished.
- ● Develop and adopt a plan to make the Parking District self-sufficient for all Personnel and Materials and Services costs; strive for revenues to exceed expenses while still charging fair fees.
 - This project was not completed. It has been assigned to a new staff person.

Organizational Chart



Requirements

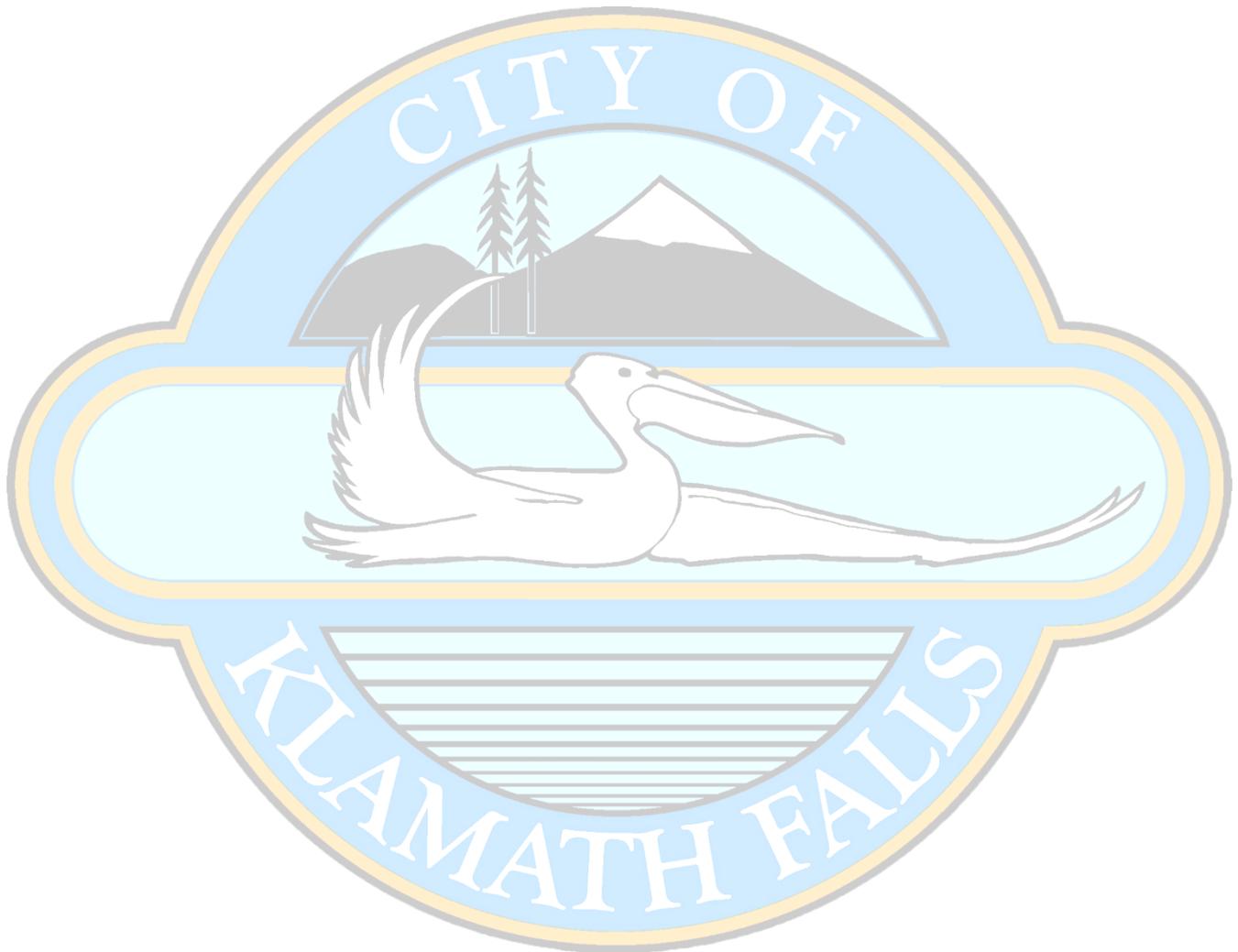
	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
PERSONNEL SERVICES						
SALARIES	38,420	40,241	42,075	44,275	44,275	44,275
BENEFITS	20,209	19,924	23,100	24,200	24,200	24,200
PERSONNEL SERVICES Total:	58,629	60,165	65,175	68,475	68,475	68,475
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	13,835	10,727	10,000	12,000	12,000	12,000
UTILITIES	4,228	2,717	2,800	2,900	2,900	2,900
MAINTENANCE & REPAIRS	9,651	1,601	11,000	41,000	41,000	41,000
INSURANCE	451	205	225	250	250	250
COMMUNICATIONS	36	37	75	-	-	-
ADVERTISING	-	-	100	350	350	350
TRAVEL/TRAINING	-	-	200	-	-	-
SUPPLIES	1,572	2,055	2,350	1,000	1,000	1,000
NON-CAPITAL EQUIPMENT	8	-	-	-	-	-
OTHER MATERIALS & SERVICES	12	9	25	-	-	-
INTERNAL CHARGES FOR SERVICES	20,760	22,892	8,150	7,375	7,375	7,375
MATERIALS & SERVICES Total:	50,552	40,242	34,925	64,875	64,875	64,875



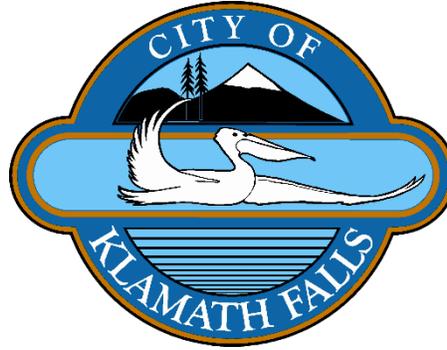
Parking Fund

All Other Unallocated Requirements

	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
CONTINGENCY	-	-	5,000	-	-	-
RESERVED FOR FUTURE	-	-	21,500	300	300	300
ENDING BALANCE	58,436	41,252	-	-	-	-
Fund: 112 -PARKING FUND Total:	167,617	141,659	126,600	133,650	133,650	133,650



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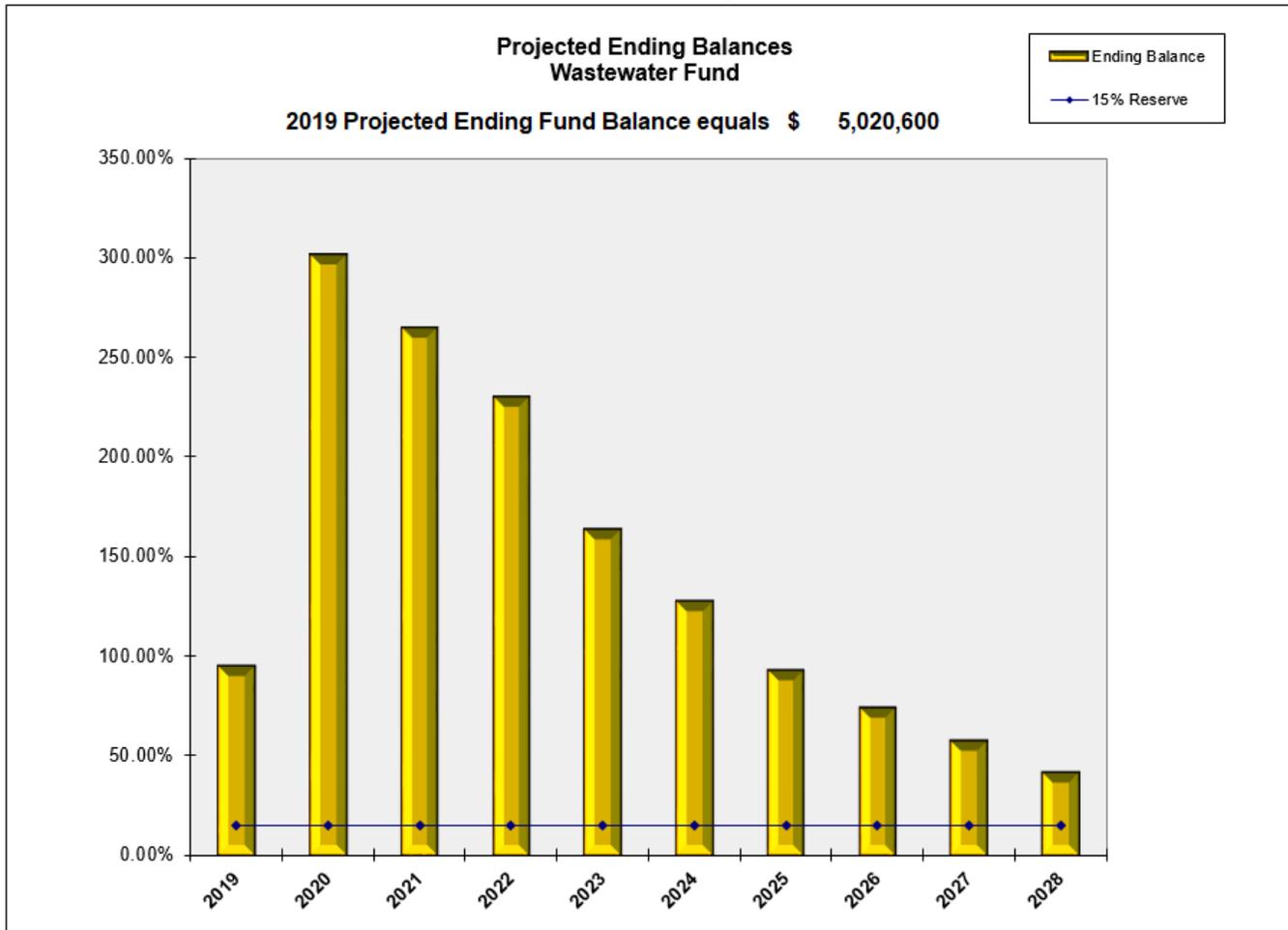


Wastewater Fund

The Wastewater Fund is an enterprise fund that accounts for all the operations, maintenance and expansion of the Wastewater Collections and Treatment facilities. Revenue consists of charges for services.

Estimated Resources:	\$ 29,228,825
Appropriated:	\$ 24,208,225
Reserved for Future Requirements:	\$ 5,020,600
Total Fund Requirements:	\$ 29,228,825

Wastewater Fund 10-year forecast



Wastewater Fund #241 Resources

Fund: 241 - WASTEWATER FUND	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Revenue						
NET WORKING CAPITAL	12,073,689	3,929,640	5,740,525	9,657,500	9,657,500	9,657,500
CHARGES FOR SERVICES	7,278,589	7,600,710	7,741,900	7,173,700	7,173,700	7,173,700
INVESTMENT INCOME	111,541	45,273	102,950	129,450	129,450	129,450
INTERNAL CHARGES FOR SERVICES	12,205	-	-	-	-	-
OTHER REVENUES	101,044	73,645	105,000	117,500	117,500	117,500
OTHER FINANCING SOURCES	7,187,920	-	3,000,000	12,150,675	12,150,675	12,150,675
Fund: 241 - WASTEWATER FUND Total:	26,764,988	11,649,267	16,690,375	29,228,825	29,228,825	29,228,825



Wastewater Fund

Collections Division

Appropriated: \$4,164,075

Description

The Water Recovery Collections Division maintains the collection conveyance piping systems of all City customers. The City of Klamath Falls collection system consists of 155 miles of gravity sewer lines, 11.7 miles of sewer pressure lines, 12 sanitary pumping stations, 2,600 manholes, 370 lamp holes and 13 sewer collection drainage basins.

Solids generated from the wastewater treatment process are treated in anaerobic digesters, and, then, combined with tree trimmings and other reusable, clean landscaping waste, is turned into environmentally friendly products (bio solids) at the Spring Street's Compost Facility and provided free of cost to the general public.

The Water Recovery Division is also responsible for the storm water collection system. The storm water collection system provides drainage to approximately 19 square miles of surface area and over 100 miles of City maintained roadways. The storm water collection system has 4 pump stations, 2,500 stormwater catch basins and nearly 130 miles of pipelines.

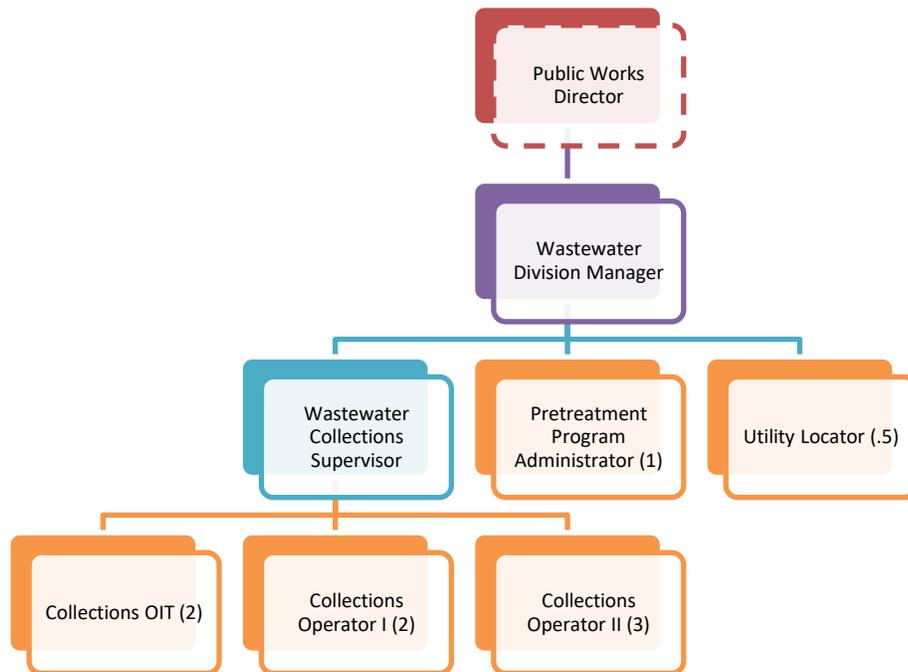
2018-2019 Goals

- Reduce the H2S in the KFI pressure main too reduce the deterioration of the collections system infrastructure.
- Reduce the number of sanitary system overflows to zero.
- Rehabilitate or replace City sewer infrastructure to reduce the chances of wastewater backups, sanitary sewer overflows and property damage claims against the City.
- Complete the storm water Master Plan.

2017-2018 Goal Outcomes

-  Complete Phase 1A and Phase 1B of the Spring Street Sewage Treatment Plant Progressive Design-Build Services.
-  Develop and implement a plan to minimize sanitary sewer system overflows by focusing efforts at the chronic root problem areas.
-  Support the City's aesthetic improvement project in the Focus Corridor by focusing on sewer system improvements. (Televise lines, review man holes, sewer clean out, storm drain catch basins.)
-  Work with the Engineering Division to review, update, and work to complete the storm water GIS layer.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Fund: 241 - WASTEWATER FUND	Total Activity	Total Activity	Total Budget	Proposed	Approved	Adopted
Department: 81 - WASTEWATER COLLECTIONS						
Expense						
PERSONNEL SERVICES						
SALARIES	378,762	425,084	500,525	482,625	482,625	482,625
BENEFITS	175,070	202,185	268,325	206,100	206,100	206,100
PERSONNEL SERVICES Total:	553,832	627,269	768,850	688,725	688,725	688,725
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	209,583	65,528	95,500	345,500	345,500	345,500
UTILITIES	111,859	120,875	115,775	127,350	127,350	127,350
MAINTENANCE & REPAIRS	112,162	108,141	138,500	153,500	153,500	153,500
RENTALS / LEASES	16,862	16,821	20,200	20,200	20,200	20,200
INSURANCE	53,014	62,038	64,250	71,450	71,450	71,450
COMMUNICATIONS	6,635	7,047	10,350	10,350	10,350	10,350
ADVERTISING	728	795	2,000	2,000	2,000	2,000
TRAVEL/TRAINING	10,676	9,182	11,750	11,750	11,750	11,750
SUPPLIES	24,265	30,559	58,850	61,050	61,050	61,050
NON-CAPITAL EQUIPMENT	23,418	19,650	27,500	27,500	27,500	27,500
OTHER MATERIALS & SERVICES	140	194	100	100	100	100
INTERNAL CHARGES FOR SERVICES	435,750	467,163	1,147,850	1,198,550	1,198,550	1,198,550
FRANCHISE FEES	-	-	-	125,550	125,550	125,550
PRETREATMENT EXPENSES	3,322	758	8,500	8,500	8,500	8,500
LICENSES AND PERMITS	920	-	9,000	9,000	9,000	9,000
MATERIALS & SERVICES Total:	1,009,333	908,750	1,710,125	2,172,350	2,172,350	2,172,350
CAPITAL OUTLAY						
INTANGIBLE	9,104	-	-	-	-	-
VEHICLES	393,477	202,547	-	60,000	60,000	60,000
EQUIPMENT	316,757	66,656	-	-	-	-
INFRASTRUCTURE	204,326	504,449	386,000	1,243,000	1,243,000	1,243,000
CAPITAL OUTLAY Total:	923,664	773,653	386,000	1,303,000	1,303,000	1,303,000
Department: 81 - WASTEWATER COLLECTIONS Total:	2,486,829	2,309,671	2,864,975	4,164,075	4,164,075	4,164,075

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Infrastructure	
Texum Lift Station Rehabilitation	\$ 625,000
Eldorado Ave Improvements	28,000
Gravity & Pressure; Manhole; Lincoln St	150,000
Gravity & Pressure; Manhole; Airport	120,000
Gravity & Pressure; Manhole; Shelly	75,000
Gravity & Pressure; Manhole; Hillside	20,000
Gravity & Pressure; Manhole; Fulton	125,000
Gravity & Pressure; Manhole; Auburn	80,000
Brett Way Sewer Main Extension	20,000
Total Infrastructure	1,243,000
Vehicles	
1 Ton Service Truck	60,000
Total Vehicles	60,000
Total Collections Division	1,303,000



Wastewater Fund

Treatment Division

Appropriated: \$17,882,000

Description

Wastewater treatment is provided at the City's Spring Street Wastewater Treatment Plant, where an average flow of 2.85 million gallons per day was treated in 2017. Over 90% of this treated, recycled wastewater was pumped to the Pacific Klamath Energy facility to be used as cooling water in the energy facility's cooling towers. The remaining treated wastewater is discharged into Lake Ewauna.

Solids generated from the wastewater treatment process are treated in anaerobic digesters. They are then combined with tree trimmings and other reusable, clean landscaping waste, and converted into environmentally friendly compost. This compost is provided free of cost to the general public at the Spring Street's Compost Facility.

Budget Comments

This year's budget has a significant amount set aside for the conclusion of the wastewater treatment plant's upgrade project design and a small amount toward construction activities scheduled to begin in early 2019. State Revolving Fund (SRF) loan money will likely be used for most of the FY 18/19. With the delays in permitting these funds are to be used as we wait for final SRF approval.

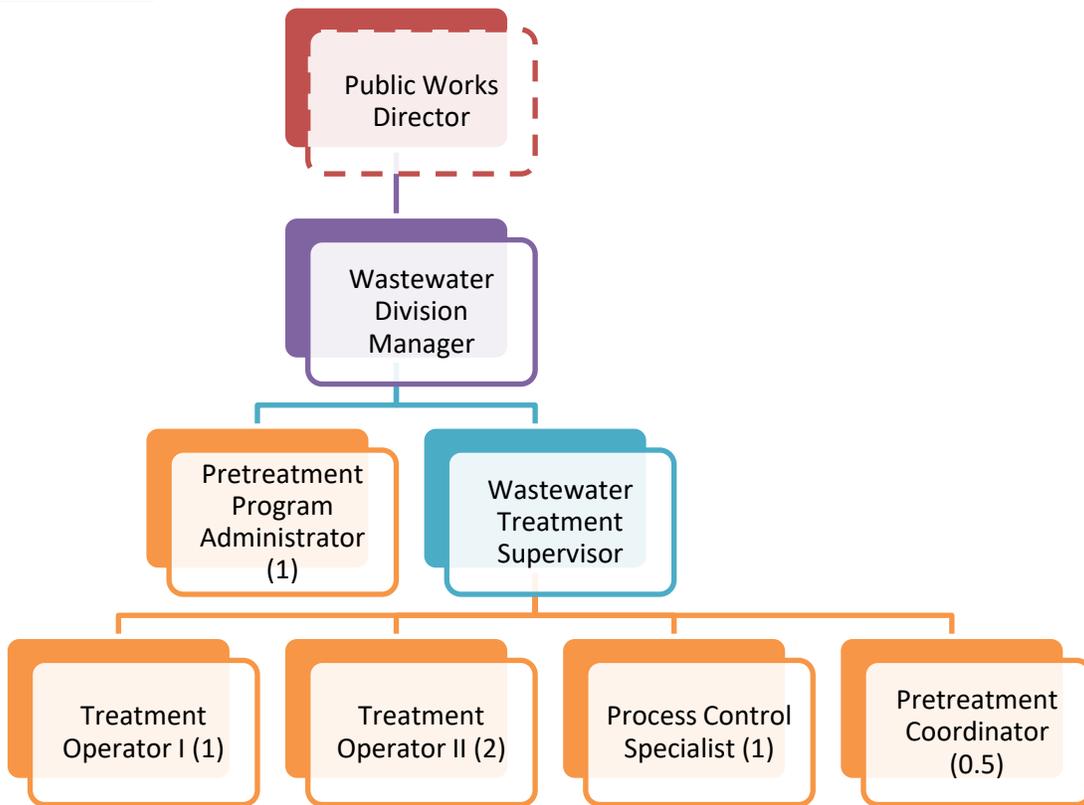
2018-2019 Goals

- Complete Phase 1B and start Phase 2 (construction) of the Spring Street Sewage Treatment Plant Progressive Design-Build Services.
- Do a pilot test of the new low salt sodium hypochlorite at the Treatment plant. (If compatible this new product has the potential to reduce salt discharge to Lake Ewauna by 36 tons per yr.)

2017-2018 Goal Outcomes

- ● Completed Phase 1A and approximately 65% of Phase 1B of the Spring Street Sewage Treatment Plant Progressive Design-Build Services.
- ● Develop and implement a plan to minimize sanitary sewer system overflows (SSOs) by focusing efforts at the chronic root problem areas. Focused efforts have yielded an 80% reduction in SSOs.
- ● Support the City's aesthetic improvement project in the Focus Corridor by focusing on sewer system improvements. (Televise lines, review man holes, sewer clean out, storm drain catch basins.)
- ● Work with the Engineering Division to review, update, and work to complete the storm water GIS layer.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Fund: 241 - WASTEWATER FUND	Total Activity	Total Activity	Total Budget	Proposed	Approved	Adopted
Department: 82 - WASTEWATER TREATMENT						
Expense						
PERSONNEL SERVICES						
SALARIES	375,399	367,460	425,500	461,225	461,225	461,225
BENEFITS	156,039	141,526	208,975	176,150	176,150	176,150
PERSONNEL SERVICES Total:	531,439	508,987	634,475	637,375	637,375	637,375
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	85,416	40,331	130,100	76,500	76,500	76,500
UTILITIES	513,920	475,803	626,225	562,725	562,725	562,725
MAINTENANCE & REPAIRS	115,203	212,230	216,000	281,250	281,250	281,250
RENTALS / LEASES	205	4,198	6,000	2,000	2,000	2,000
INSURANCE	19,124	22,677	21,825	22,150	22,150	22,150
COMMUNICATIONS	4,204	5,523	8,250	9,750	9,750	9,750
ADVERTISING	34	52	8,000	8,000	8,000	8,000
TRAVEL/TRAINING	11,113	9,884	25,000	17,500	17,500	17,500
SUPPLIES	181,279	197,366	215,250	213,750	213,750	213,750
NON-CAPITAL EQUIPMENT	7,933	41,021	53,600	55,600	55,600	55,600
OTHER MATERIALS & SERVICES	-	432	1,500	1,500	1,500	1,500
INTERNAL CHARGES FOR SERVICES	399,493	448,800	567,250	595,850	595,850	595,850
FRANCHISE FEES	-	-	-	125,550	125,550	125,550
PRETREATMENT EXPENSES	32,346	22,336	35,000	35,000	35,000	35,000
LICENSES AND PERMITS	21,236	23,017	25,000	27,500	27,500	27,500
MATERIALS & SERVICES Total:	1,391,505	1,503,669	1,939,000	2,034,625	2,034,625	2,034,625
CAPITAL OUTLAY						
LAND	-	-	30,000	-	-	-
FACILITIES	69,921	383,646	6,150,000	15,210,000	15,210,000	15,210,000
EQUIPMENT	27,926	8,878	216,150	-	-	-
CAPITAL OUTLAY Total:	97,847	392,524	6,396,150	15,210,000	15,210,000	15,210,000
Department: 82 - WASTEWATER TREATMENT Total:	2,020,790	2,405,179	8,969,625	17,882,000	17,882,000	17,882,000

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Facilities	
Compost Yard Improvements & Site Work	60,000
California Pump Station Master Planning	150,000
Treatment Plant Upgrade Master Planning	15,000,000
Total Facilities	15,210,000
Total Treatment Division	15,210,000



Wastewater Fund

Utility Billing

Description

In FY 18-19 the Utility Billing Division will be budgeted to Water and a yearly transfer of appropriate costs will be completed to charge 49% to Wastewater.

Requirements

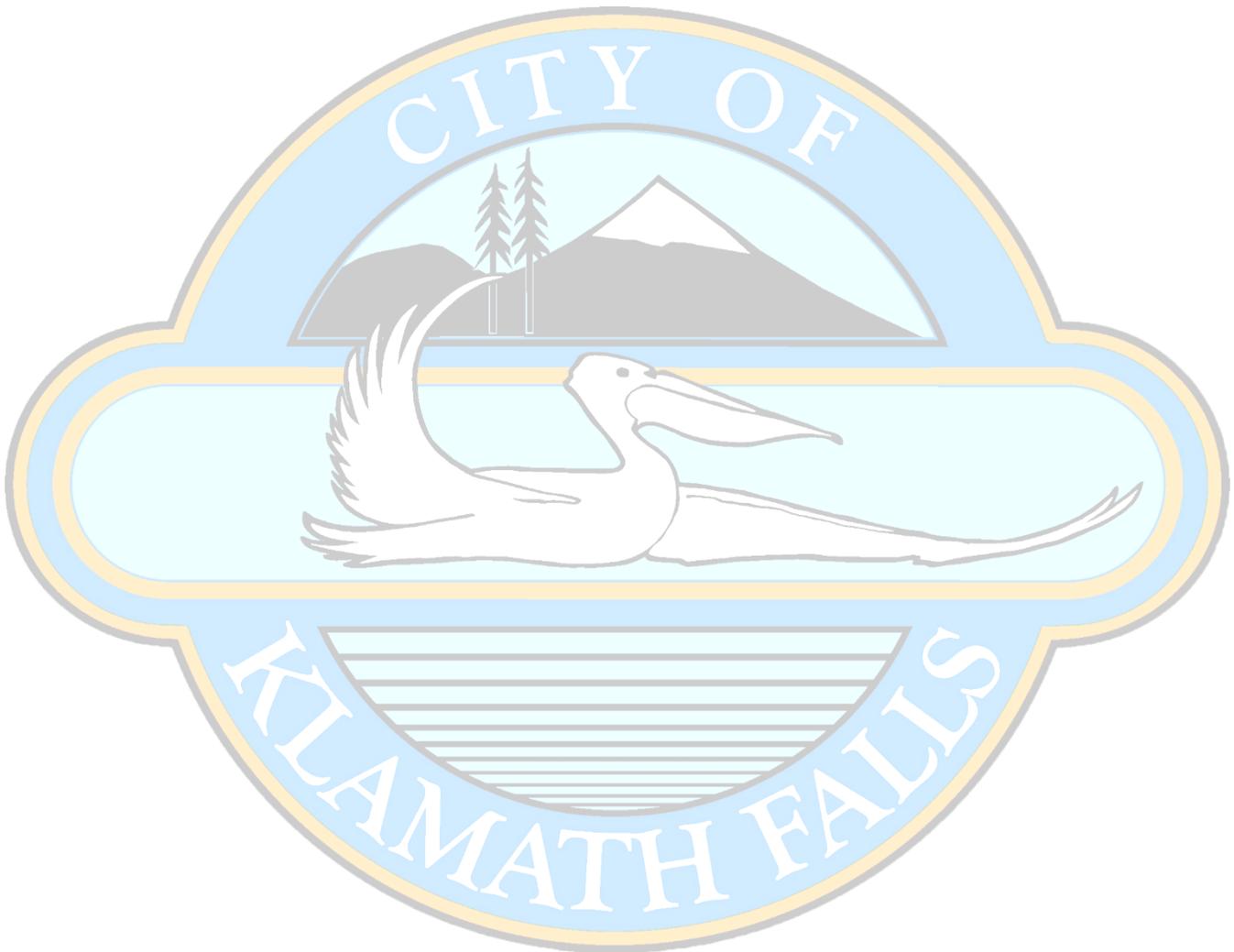
	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total Budget	Proposed	Approved	Adopted
Fund: 241 - WASTEWATER FUND						
Department: 83 - UTILITY BILLING						
Expense						
PERSONNEL SERVICES						
SALARIES	165,086	167,878	-	-	-	-
BENEFITS	80,216	80,945	-	-	-	-
PERSONNEL SERVICES Total:	245,302	248,823	-	-	-	-
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	65,792	63,284	-	-	-	-
UTILITIES	1,471	1,563	-	-	-	-
MAINTENANCE & REPAIRS	11,012	7,887	-	-	-	-
RENTALS / LEASES	9,000	9,000	-	-	-	-
INSURANCE	1,194	1,446	-	-	-	-
COMMUNICATIONS	2,797	2,251	-	-	-	-
ADVERTISING	-	161	-	-	-	-
TRAVEL/TRAINING	1,221	1,961	-	-	-	-
SUPPLIES	4,662	6,211	-	-	-	-
NON-CAPITAL EQUIPMENT	2,959	1,337	-	-	-	-
OTHER MATERIALS & SERVICES	140	117	-	-	-	-
INTERNAL CHARGES FOR SERVICES	47,158	42,210	-	-	-	-
MATERIALS & SERVICES Total:	147,407	137,429	-	-	-	-
Department: 83 - UTILITY BILLING Total:	392,709	386,252	-	-	-	-



Wastewater Fund

All Other Unallocated Requirements

Fund: 241 - WASTEWATER FUND	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
DEBT SERVICE						
DEBT PRINCIPAL	7,727,556	656,995	670,100	692,150	692,150	692,150
DEBT INTEREST	207,463	150,652	135,550	120,000	120,000	120,000
DEBT SERVICE Total:	7,935,020	807,647	805,650	812,150	812,150	812,150
INTER-FUND TRANSFER OUT	10,000,000	-	-	1,350,000	1,350,000	1,350,000
RESERVED FOR FUTURE	-	-	4,050,125	5,020,600	5,020,600	5,020,600
ENDING BALANCE	3,929,640	5,740,518	-	-	-	-
UNALLOCATED REQUIREMENTS Total:	21,864,660	6,548,165	4,855,775	7,182,750	7,182,750	7,182,750
Fund: 241 - WASTEWATER FUND Total:	26,764,988	11,649,267	16,690,375	29,228,825	29,228,825	29,228,825



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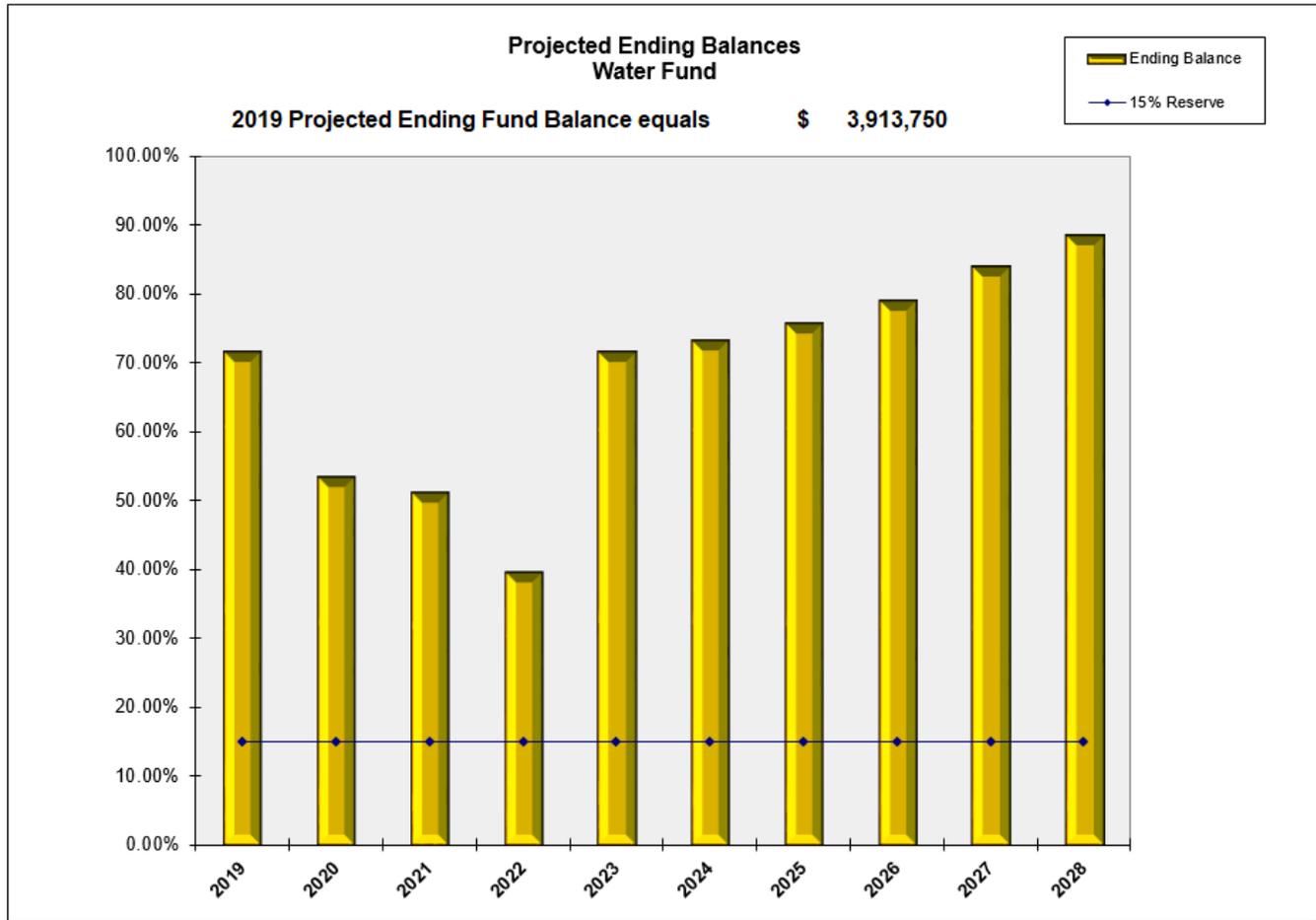


Water Fund

The Water Fund is an enterprise fund that accounts for expansion, operation, and maintenance of the City’s water supply system. Revenues primarily consist of charges for services. The Water Fund includes the Water Division, Geothermal, and Utility Billing.

Estimated Resources:	\$ 14,312,325
Appropriated:	\$ 10,398,575
Reserved for Future Requirements:	\$ 3,913,750
Total Fund Requirements:	\$ 14,312,325

Water Fund 10-year forecast



Water Fund #244 Resources

Fund: 244 - WATER FUND	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Revenue						
NET WORKING CAPITAL	8,505,044	5,152,152	5,060,850	5,582,500	5,582,500	5,582,500
CHARGES FOR SERVICES	7,515,894	7,781,182	7,843,925	7,911,150	7,911,150	7,911,150
INVESTMENT INCOME	170,262	46,607	111,175	106,900	106,900	106,900
INTERNAL CHARGES FOR SERVICES	2,754	-	563,400	593,525	593,525	593,525
OTHER REVENUES	142,567	86,757	134,250	118,250	118,250	118,250
OTHER FINANCING SOURCES	31,588	12,501	-	-	-	-
Fund: 244 - WATER FUND Total:	16,368,109	13,079,199	13,713,600	14,312,325	14,312,325	14,312,325



Water Fund

Water

Appropriated: \$7,671,350

Description

The Water Division is responsible for providing safe and reliable drinking water to the nearly 40,000 residents living in and around the City of Klamath Falls. Fourteen staff members operate and maintain the City's public water system, consisting of: thirteen (13) wells, twenty-two (22) water storage reservoirs, twenty-four (24) pumping stations and approximately 265 miles of pipeline, including over 16,000 metered service connections. The Division is also responsible for operating and maintaining the City's geothermal system.

Some of the routine activities for the Water Division include: collecting and analyzing water samples to ensure regulatory compliance, monitoring facility operations, making operational changes to meet changing demands, and repairing and replacing infrastructure. These tasks are also supported by staff from other City Departments/Divisions such as Development Services, Maintenance, Streets and Utility Billing.

Budget Comments

It is expected by end of Fiscal Year 2017-18, less than 50% of the \$1.75 million identified for the Pelican Booster Project in the approved budget will be expended. Therefore, approximately \$1 million is being carried over into Fiscal Year 2018-19 for a total project cost of \$1.4 million in the proposed budget. An additional \$250,000 is proposed in Materials & Services - Professional Services Contracts to cover expected costs associated with updating the City's Water Master Plan. The Travel and Training budget is proposed to increase from \$8,000 to \$10,000 due to training requirements for newer staff members. There is also one retirement budgeted in FY 2019.

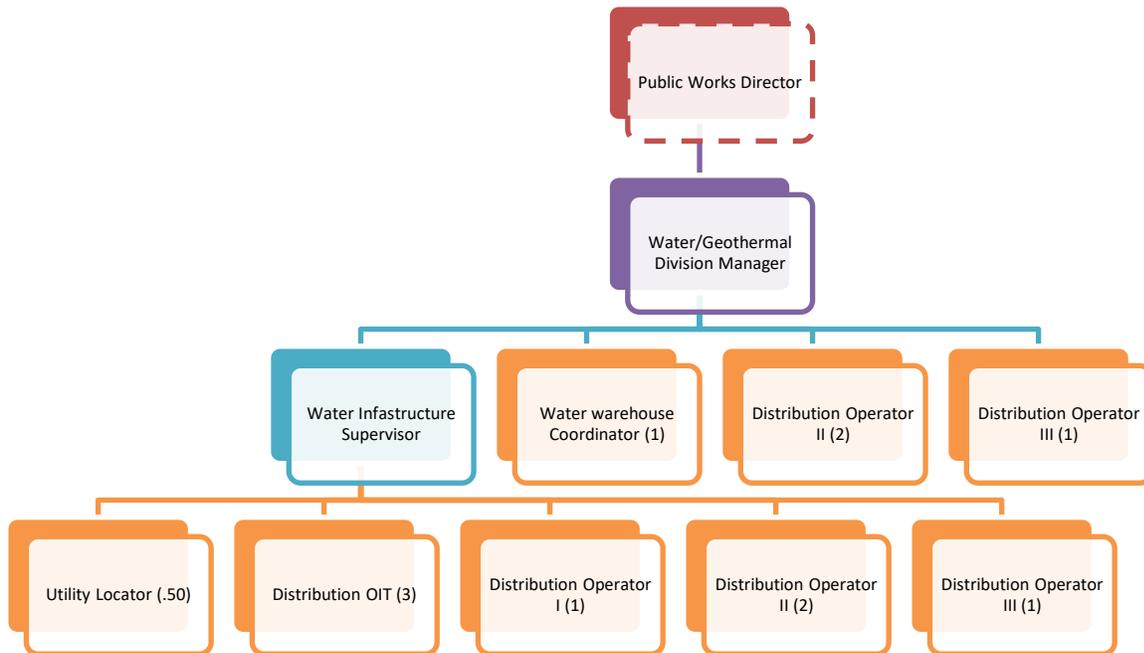
2018-2019 Goals

- Complete a comprehensive update of the 2010 City of Klamath Falls Water Master Plan. Since the last update of the Water Master Plan was completed in 2010, numerous water main upgrade projects have been completed and a majority of the water production and consumption data used in the final report is from 2007 records.
- Complete water system infrastructure improvements in the Moyina Heights area. The City is committed to installing one to two additional fire hydrants, installing five to six additional mainline valves, and relocating over thirty-five water meter settings off private property.
- Initiate and maintain a recommended State Drinking Water Program for water flushing quality. This program will be an effort aimed at maintaining water quality throughout the City water system.

2017-2018 Goal Outcomes

-  Complete the final step in a fully Automated Metering Infrastructure (AMI) system.
 - At present, the City has a contract in place with the vendor/contractor to install the hardware and software necessary, however, construction has not begun. The current schedule calls for completion prior to July 1, 2018.
-  Deploy the required software to offer a customer use portal which will allow the water user to access personal account information and receive individual notices pertaining to water consumption and billing issues.
 - To date, the customer use portal software has not yet been installed and implemented. The schedule calls to have the software in place before July 1, 2018.
-  Reduce non-revenue water loss (unaccounted for water loss) below regulatory agency and industry acceptable standards.
 - This is an on-going effort and although the Division continues to make progress towards the goal of reducing water loss to below regulatory and industry standards, the goal has not yet been accomplished.
-  Improve the visual appearance of above-ground water system infrastructure, specifically in the areas of focus corridors. An aspect for achieving this goal will be the replacement or re-coating of older hydrants. This will include efforts directed at maintaining and improving the outer appearance of water pumping stations and water storage sites.
-  Complete a 5-year succession plan for the Water Division. Up to seven current staff will be retiring over the next six years and it is critical to have experienced operators in place to replace retiring staff members.
 - This is an ongoing effort, although the Water Division through attrition has four new staff members who are gaining hands-on experience and either have, or are working towards, becoming State-certified water distribution operators.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 244 - WATER FUND						
Department: 85 - WATER OPERATIONS						
Expense						
PERSONNEL SERVICES						
SALARIES	666,424	731,895	755,000	809,725	809,725	809,725
BENEFITS	326,359	320,694	387,575	383,250	383,250	383,250
PERSONNEL SERVICES Total:	992,782	1,052,589	1,142,575	1,192,975	1,192,975	1,192,975
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	156,111	104,103	202,700	438,000	438,000	438,000
UTILITIES	590,918	580,942	559,275	614,475	614,475	614,475
MAINTENANCE & REPAIRS	521,857	513,617	536,000	540,000	540,000	540,000
RENTALS / LEASES	1,175	2,456	2,500	2,500	2,500	2,500
INSURANCE	41,959	49,332	51,600	53,225	53,225	53,225
COMMUNICATIONS	11,790	11,813	12,750	12,700	12,700	12,700
ADVERTISING	4,383	5,724	6,000	6,000	6,000	6,000
TRAVEL/TRAINING	6,063	21,587	15,500	18,000	18,000	18,000
SUPPLIES	50,421	53,082	57,750	65,600	65,600	65,600
NON-CAPITAL EQUIPMENT	36,824	38,065	33,500	39,300	39,300	39,300
OTHER MATERIALS & SERVICES	2,517	3,276	4,500	4,500	4,500	4,500
INTERNAL CHARGES FOR SERVICES	814,785	870,111	1,009,725	1,077,575	1,077,575	1,077,575
FRANCHISE FEES	-	-	-	133,000	133,000	133,000
PYMT IN LIEU OF FRANCHISE	10,940	11,471	11,150	12,500	12,500	12,500
LICENSES AND PERMITS	842	803	750	1,000	1,000	1,000
MATERIALS & SERVICES Total:	2,250,587	2,266,381	2,503,700	3,018,375	3,018,375	3,018,375
CAPITAL OUTLAY						
LAND	4,505	-	-	-	-	-
INTANGIBLE	9,104	29	75,000	65,000	65,000	65,000
FACILITIES	9,293	-	-	-	-	-
VEHICLES	330,271	-	50,000	-	-	-
EQUIPMENT	28,011	5,215	-	100,000	100,000	100,000
INFRASTRUCTURE	804,509	2,739,459	3,281,000	3,295,000	3,295,000	3,295,000
CAPITAL OUTLAY Total:	1,185,693	2,744,703	3,406,000	3,460,000	3,460,000	3,460,000
Department: 85 - WATER OPERATIONS Total:	4,429,062	6,063,674	7,052,275	7,671,350	7,671,350	7,671,350

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Intangible	
SCADA Installation/Upgrade	50,000
City Network Camera Project	15,000
Total Intangible	65,000
Equipment	
Hydro Excavator	100,000
Total Vehicles	100,000
Infrastructure	
Butte Street Main Replacement	75,000
Frieda Ave Main Replacement	75,000
Altamont Drive Main Replacement	550,000
Brett Way Water Main Extension	25,000
Eldorado Ave Improvements Project	20,000
Dayton Street Main Replacement	350,000
Pelican Cty Booster/Water Main	1,400,000
Stewart Lenox Distribution	800,000
Total Infrastructure	3,295,000
Total Operations Division	3,460,000



Water Fund

Utility Billing

Appropriated: \$1,251,500

Description

The City of Klamath Falls Utility Billing Division strives to give our community the best service we possibly can. This includes providing information about utility services, policies and procedures, and answering commonly asked questions about bills, payments, deposits, and other important service questions. We strive to work together with our customers to ensure efficient operation of our community's utility service.

There are approximately 16,000 customers within the City utility system. On a monthly basis, approximately 2,000 customers come into the Utility Office to pay their bills or get questions answered regarding their account. City utilities includes Water, Sewer, Street Lights, Geothermal, and Fire Protection services. To accomplish billing on a monthly basis, customers' meters are read once each month, by area, throughout the month. This means that customers throughout the City receive their bills on different dates throughout the month, and have different due dates.

Budget Comments

We are currently in the process of having towers installed on a few of the water tanks in order to read the meters remotely. Once that is completed, we will have a software maintenance fee, customer portal fee, and equipment maintenance fee annually. Straight overtime was previously being budgeted in the incorrect G/L and has since been corrected and reflects in the overtime increase.

2018-2019 Goals

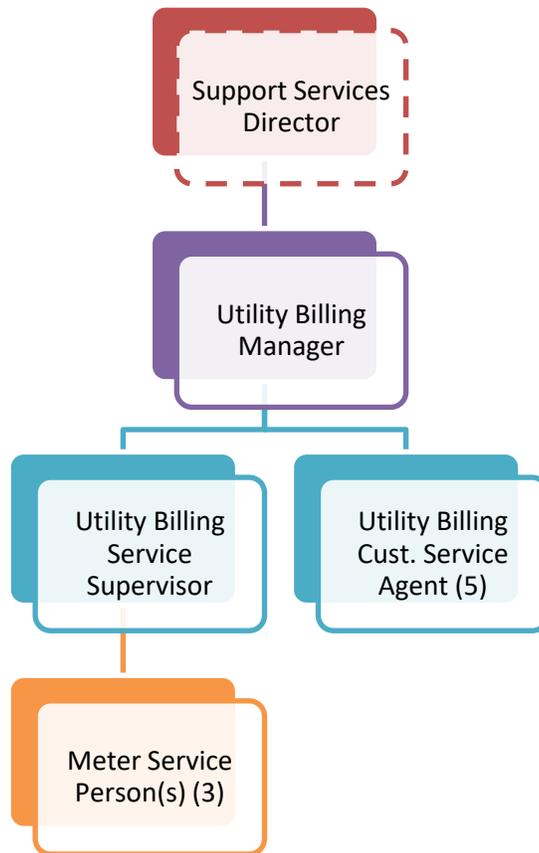
- Complete review of the City Code.
- Implement customer portal for AMI (Automated Metering Infrastructure).
- Complete the transition to iPads for service orders.

2017-2018 Goal Outcomes

- ● Analyze more of the City Code, with regard to the Utility Billing processes, fees, restrictions, and complete the process with Council approval.
 - Utility Billing has updated a few of the City Codes and there are a few more needing review and discussion.
- ● Complete Automated Meter Reading (AMR) to Automated Metering Infrastructure (AMI) transition.
 - Due to the timing of the project, the installation will most likely be complete, along with training, by June 2018.

- Implement a customer service portal for up to date meter information and water consumption linked to the AMI project.
 - The customer portal will be installed and rolled out to customers during Fiscal Year 2018-19.
- Inspect and repair the meter boxes in the focus corridors.

Organizational Chart



Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 244 - WATER FUND						
Department: 86 - WATER BILLING						
Expense						
PERSONNEL SERVICES						
SALARIES	330,509	335,728	523,650	546,700	546,700	546,700
BENEFITS	165,205	161,609	266,900	265,525	265,525	265,525
PERSONNEL SERVICES Total:	495,715	497,337	790,550	812,225	812,225	812,225
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	132,111	127,042	233,000	229,200	229,200	229,200
UTILITIES	2,941	2,954	5,075	5,100	5,100	5,100
MAINTENANCE & REPAIRS	25,269	15,788	26,600	90,000	90,000	90,000
RENTALS / LEASES	18,000	18,000	27,000	27,000	27,000	27,000
INSURANCE	3,089	2,951	4,000	4,375	4,375	4,375
COMMUNICATIONS	5,965	4,884	8,400	7,000	7,000	7,000
ADVERTISING	-	322	900	5,000	5,000	5,000
TRAVEL/TRAINING	2,443	3,916	7,650	8,250	8,250	8,250
SUPPLIES	8,799	12,658	17,100	17,500	17,500	17,500
NON-CAPITAL EQUIPMENT	5,762	2,683	8,900	11,500	11,500	11,500
OTHER MATERIALS & SERVICES	281	233	250	450	450	450
INTERNAL CHARGES FOR SERVICES	116,664	105,046	3,450	2,700	2,700	2,700
LICENSES AND PERMITS	-	-	-	200	200	200
MATERIALS & SERVICES Total:	321,324	296,477	342,325	408,275	408,275	408,275
CAPITAL OUTLAY						
VEHICLES	-	-	60,000	31,000	31,000	31,000
EQUIPMENT	18,500	-	11,500	-	-	-
CAPITAL OUTLAY Total:	18,500	-	71,500	31,000	31,000	31,000
Department: 86 - WATER BILLING Total:	835,538	793,815	1,204,375	1,251,500	1,251,500	1,251,500

Capital Outlay

ITEM	PROPOSED EXPENDITURE
Vehicles	
UB Division 1/2 Ton Pickup	31,000
Total Vehicles	31,000
Total Water Billing Division	31,000



Water Fund

Geothermal

Appropriated: \$429,975

Description

The Geothermal Division is responsible for operating and maintaining the City’s geothermal system, consisting of two (2) wells, a single heat exchange facility, which includes three (3) district circulation pumps, and two (2) plate heat exchangers. There are also approximately four (4) miles of pipeline and five (5) sidewalk/bridge snowmelt systems.

Budget Comment

The Geothermal Division revenues are a part of the Water Fund resource charges for services category. Personnel services for the Geothermal Division are tracked in project accounting and will continue to be tracked by project, not recorded in the Geothermal Division.

Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Fund: 244 - WATER FUND						
Department: 87 - GEOTHERMAL OPERATIONS						
Expense						
PERSONNEL SERVICES						
SALARIES	20,151	-	-	-	-	-
BENEFITS	9,642	-	-	-	-	-
PERSONNEL SERVICES Total:	29,794	-	-	-	-	-
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	7,716	1,138	3,500	3,500	3,500	3,500
UTILITIES	41,018	49,595	51,100	56,075	56,075	56,075
MAINTENANCE & REPAIRS	48,170	42,574	42,000	67,000	67,000	67,000
INSURANCE	2,741	3,019	3,225	3,050	3,050	3,050
SUPPLIES	190	366	500	500	500	500
NON-CAPITAL EQUIPMENT	1,914	1,854	1,600	1,100	1,100	1,100
INTERNAL CHARGES FOR SERVICES	32,138	49,562	50,425	43,200	43,200	43,200
FRANCHISE FEES	-	-	-	5,450	5,450	5,450
LICENSES AND PERMITS	732	45	100	100	100	100
MATERIALS & SERVICES Total:	134,618	148,152	152,450	179,975	179,975	179,975
CAPITAL OUTLAY						
INFRASTRUCTURE	-	-	-	250,000	250,000	250,000
CAPITAL OUTLAY Total:	-	-	-	250,000	250,000	250,000
Department: 87 - GEOTHERMAL OPERATIONS Total:	164,412	148,152	152,450	429,975	429,975	429,975

Capital Outlay

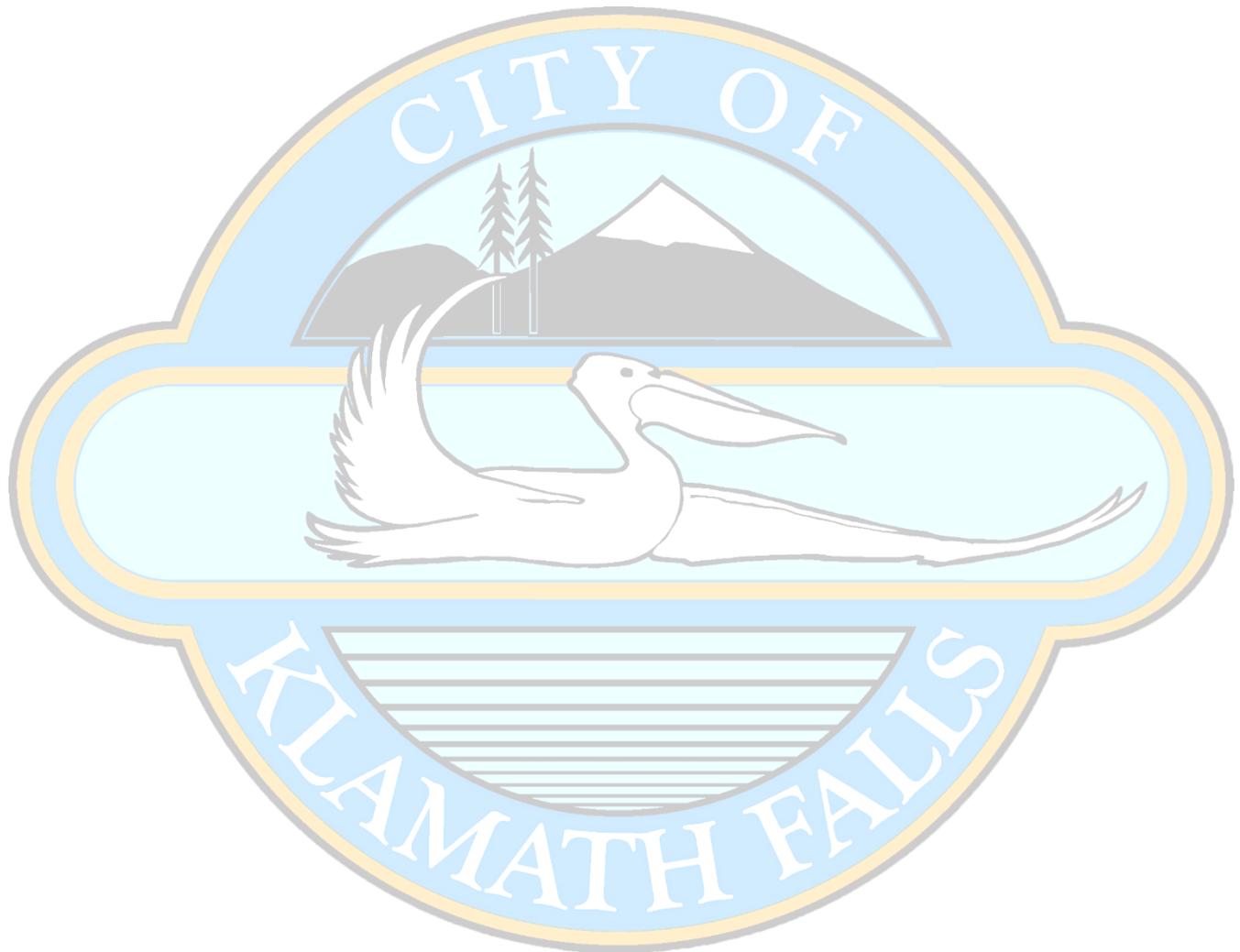
ITEM	PROPOSED EXPENDITURE
Infrastructure	
Geothermal Distribution Pipeline Upgrade	250,000
Total Infrastructure	250,000
Total Geothermal Division	250,000



Water Fund

All Other Unallocated Requirements

Fund: 244 - WATER FUND	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Expense	Total Activity	Total Activity	Total Budget	Proposed	Approved	Adopted
DEBT SERVICE						
DEBT PRINCIPAL - 2001 WATER REV REF BONDS	455,000	-	-	-	-	-
DEBT INTEREST - 2001 WATER REV REF BONDS	25,025	-	-	-	-	-
DEBT PRINCIPAL & INTEREST 2004 SPWF 5001 OPS	65,298	64,210	63,100	61,900	61,900	61,900
DEBT SERVICE Total:	545,323	64,210	63,100	61,900	61,900	61,900
OTHER FINANCING USE						
INTER-FUND TRANSFER OUT - GENERAL FUND	452,047	516,195	513,850	525,050	525,050	525,050
INTER-FUND TRANSFER OUT - AIRPORT FUND	289,575	432,325	444,625	458,800	458,800	458,800
INTER-FUND TRANSFER OUT - CAPITAL PROJECTS	4,500,000	-	-	-	-	-
OTHER FINANCING USE Total:	5,241,622	948,520	958,475	983,850	983,850	983,850
RESERVED FOR FUTURE	-	-	4,282,925	3,913,750	3,913,750	3,913,750
ENDING BALANCE	5,152,152	5,060,828	-	-	-	-
Unallocated Requirements Total:	10,939,097	6,073,558	5,304,500	4,959,500	4,959,500	4,959,500
Fund: 244 - WATER FUND Total:	16,368,109	13,079,199	13,713,600	14,312,325	14,312,325	14,312,325



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Other Funds

- Downtown Maintenance District Fund
- Economic Development/Property Fund
- Capital Projects Fund
- Escrow Reserve Fund
- Debt Service Fund
- Basin Interagency Narcotics Enforcement Team (BINET) Fund
- Veterans Memorial Agency Fund



Downtown Maintenance District Fund

Budget Comment

Resolution No. 15-02 was approved by council on 3/2/15 creating an Economic Improvement District (EID) for downtown maintenance activities. The EID fees were increased 2% per year for five years. The EID costs include maintenance of landscaping, banners, benches, entry signs, sidewalk sweeping, garbage removal and other maintenance costs incurred in the downtown area. The South Portal Building rental revenue of \$73,600 and the projected EID revenue of \$20,325 does not cover the projected expenses of \$151,725 for fiscal year 2019. The General Fund will need to subsidize the Downtown Maintenance District Fund \$36,250 for fiscal year 2019 and will need to continue to subsidize around \$55,000 per year until the EID ends December 31, 2019.

Resources

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Revenue						
NET WORKING CAPITAL	9,448	2,279	8,075	26,100	26,100	26,100
CHARGES FOR SERVICES	18,666	92,926	90,075	93,975	93,975	93,975
INVESTMENT INCOME	112	150	75	400	400	400
OTHER FINANCING SOURCES	-	12,000	49,375	36,250	36,250	36,250
Fund: 118 - DOWNTOWN MAINTENANCE Total:	28,226	107,356	147,600	156,725	156,725	156,725

Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Expense						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	2,611	21,391	40,300	41,500	41,500	41,500
UTILITIES	5,070	20,854	25,200	27,675	27,675	27,675
MAINTENANCE & REPAIRS	11,683	24,882	49,200	50,600	50,600	50,600
INSURANCE	-	3,531	3,750	3,550	3,550	3,550
COMMUNICATIONS	133	1,233	1,250	1,275	1,275	1,275
OTHER MATERIALS & SERVICES	-	5,453	11,400	10,500	10,500	10,500
INTERNAL CHARGES FOR SERVICES	6,450	19,155	10,375	16,625	16,625	16,625
MATERIALS & SERVICES Total:	25,947	96,499	141,475	151,725	151,725	151,725
CAPITAL OUTLAY						
FACILITIES	-	-	6,125	-	-	-
CAPITAL OUTLAY Total:	-	-	6,125	-	-	-
INTER-FUND TRANSFER OUT	-	2,794	-	-	-	-
RESERVED FOR FUTURE	-	-	-	5,000	5,000	5,000
ENDING BALANCE	2,279	8,063	-	-	-	-
Fund: 118 - DOWNTOWN MAINTENANCE Total:	28,226	107,356	147,600	156,725	156,725	156,725



Economic Development/Property Fund

Budget Comment

This fund accounts for the economic development activities of the City. Revenues include an EPA Brownfield Grant, a Technical Assistance Grant for a Residential Buildable Lands Inventory and an Industrial Lands Readiness Assessment, a lease with Blackman Farms, and transfers from the General Fund of \$150,000 and the Escrow Reserve Fund of \$225,000. The City economic development initiatives include payments to KCEDA of \$50,000, SCOEDD of \$25,000, Downtown Association of \$50,000, Blue Zones Support of \$25,000 and other City programs of \$15,000 along with shoreline improvements for Lake Ewauna of \$50,000 and housing quality improvements seed money of \$50,000. Materials & Services also includes grants for change of use \$30,000, housing façade \$10,000, significant façade \$100,000, and security camera of \$5,000 along with the grant expenses mentioned above and rental land expenses. The amount in Contingency will be made available for economic development opportunities as they arise.

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	278,138	166,294	66,275	78,600	78,600	78,600
INTERGOVERNMENTAL	115,968	98,634	156,000	90,000	90,000	90,000
CHARGES FOR SERVICES	11,953	12,484	12,500	11,950	11,950	11,950
INVESTMENT INCOME	1,404	1,105	1,200	1,600	1,600	1,600
OTHER FINANCING SOURCES	-	-	234,750	375,000	375,000	375,000
Fund: 121 - ECON DEVELOP/PROP FUND Total:	407,463	278,517	470,725	557,150	557,150	557,150

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	162,265	105,168	253,050	240,000	240,000	240,000
MAINTENANCE & REPAIRS	7,324	7,324	10,500	8,500	8,500	8,500
TRAVEL/TRAINING	-	8,103	-	-	-	-
OTHER MATERIALS & SERVICES	71,581	91,650	151,800	266,800	266,800	266,800
MATERIALS & SERVICES Total:	241,169	212,244	415,350	515,300	515,300	515,300
CONTINGENCY	-	-	55,375	41,850	41,850	41,850
ENDING BALANCE	166,294	66,273	-	-	-	-
Fund: 121 - ECON DEVELOP/PROP FUND Total:	407,463	278,517	470,725	557,150	557,150	557,150



Capital Projects Fund

Budget Comment

This fund is used to reserve amounts for future capital projects. The transfer out is going to Wastewater to help fund the costs of the treatment plant.

Resources

	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	3,150,470	17,772,500	17,925,550	14,990,150	14,990,150	14,990,150
CHARGES FOR SERVICES	54,000	54,000	54,000	54,000	54,000	54,000
INVESTMENT INCOME	68,030	99,027	88,250	79,225	79,225	79,225
OTHER FINANCING SOURCES	14,500,000	-	-	-	-	-
Fund: 135 - CAPITAL PROJECTS FUND Total:	17,772,500	17,925,527	18,067,800	15,123,375	15,123,375	15,123,375

Requirements

	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
INTER-FUND TRANSFER OUT	-	-	3,000,000	4,000,000	4,000,000	4,000,000
RESERVED FOR FUTURE	-	-	15,067,800	11,123,375	11,123,375	11,123,375
ENDING BALANCE	17,772,500	17,925,527	-	-	-	-
Fund: 135 - CAPITAL PROJECTS FUND Total:	17,772,500	17,925,527	18,067,800	15,123,375	15,123,375	15,123,375



Escrow Reserves Fund

Budget Comment

Charges for Services is the Cogen effluent revenue. Other financing sources includes inter-fund loan repayments from the Lakefront Urban Renewal Fund and Town Center Urban Renewal Fund and a transfer in of the Cogen effluent revenue from Wastewater. The transfers out include an inter-fund loan with Spring Street Urban Renewal of \$550,000, a grant to the Airport Fund for the new hangar of \$400,000, a transfer to the General Fund for downtown decorations, quiet zone, Sky Lakes park improvements, and focus area improvements for a total of \$310,000 and a transfer to Economic Development Fund for housing quality improvements, Lake Ewauna improvements, significant façade grant and Blue Zone support for a total of \$225,000.

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	5,774,865	6,193,523	7,198,525	5,921,375	5,921,375	5,921,375
CHARGES FOR SERVICES	-	-	-	582,150	582,150	582,150
INVESTMENT INCOME	97,523	107,799	87,675	104,750	104,750	104,750
OTHER FINANCING SOURCES	321,135	1,037,186	181,150	1,449,500	1,449,500	1,449,500
Fund: 136 - ESCROW RESERVE FUND Total:	6,193,523	7,338,508	7,467,350	8,057,775	8,057,775	8,057,775

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
INTER-FUND TRANSFER OUT	-	140,000	1,550,000	1,485,000	1,485,000	1,485,000
RESERVED FOR FUTURE	-	-	5,917,350	6,572,775	6,572,775	6,572,775
ENDING BALANCE	6,193,523	7,198,508	-	-	-	-
Fund: 136 - ESCROW RESERVE FUND Total:	6,193,523	7,338,508	7,467,350	8,057,775	8,057,775	8,057,775



Debt Service Fund

Budget Comment

The Debt Service Fund collects the property taxes levied for the General Obligation Bond on the Police Station. Debt Service includes the repayment of the operating inter-fund loan with the General Fund of \$70,000.

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	57,181	30,319	8,425	13,025	13,025	13,025
PROPERTY TAXES PREVIOUSLY LEVIED	7,661	15,656	6,000	7,375	7,375	7,375
INVESTMENT INCOME	1,946	2,217	1,550	1,725	1,725	1,725
OTHER FINANCING SOURCES	-	-	70,000	-	-	-
Fund: 150 - Resources Except Taxes Levied Total:	66,788	48,192	85,975	22,125	22,125	22,125
PROPERTY TAXES NECESSARY TO BALANCE	-	-	164,175	266,600	266,600	266,600
PROPERTY TAXES COLLECTED IN YEAR LEVIED	169,056	165,744	-	-	-	-
Fund: 150 - DEBT SERVICE FUND Total:	235,844	213,936	250,150	288,725	288,725	288,725

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
DEBT SERVICE						
DEBT PRINCIPAL	-	-	40,000	164,575	164,575	164,575
DEBT INTEREST	205,525	205,525	205,525	115,875	115,875	115,875
DEBT SERVICE Total:	205,525	205,525	245,525	280,450	280,450	280,450
UNAPPROPRIATED	-	-	4,625	8,275	8,275	8,275
ENDING BALANCE	30,319	8,411	-	-	-	-
Fund: 150 - DEBT SERVICE FUND Total:	235,844	213,936	250,150	288,725	288,725	288,725



Basin Interagency Narcotics Enforcement Team (BINET) Fund

Budget Comment

This fund supports the efforts of the Basin Interagency Narcotics Enforcement Team (BINET). Other Financing Sources is a transfer in from the General Fund.

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	-	-	-	45,000	45,000	45,000
INTERGOVERNMENTAL	-	-	-	-	-	-
OTHER REVENUES	-	5,000	5,000	-	-	-
OTHER FINANCING SOURCES	-	10,000	10,000	10,000	10,000	10,000
Fund: 301 - BINET FUND Total:	-	15,000	15,000	55,000	55,000	55,000

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
MATERIALS & SERVICES						
OTHER MATERIALS & SERVICES	-	15,000	15,000	15,000	15,000	15,000
MATERIALS & SERVICES Total:	-	15,000	15,000	15,000	15,000	15,000
RESERVED FOR FUTURE						
Fund: 301 - BINET FUND Total:	-	15,000	15,000	55,000	55,000	55,000



Veteran’s Memorial Agency Fund

Budget Comment

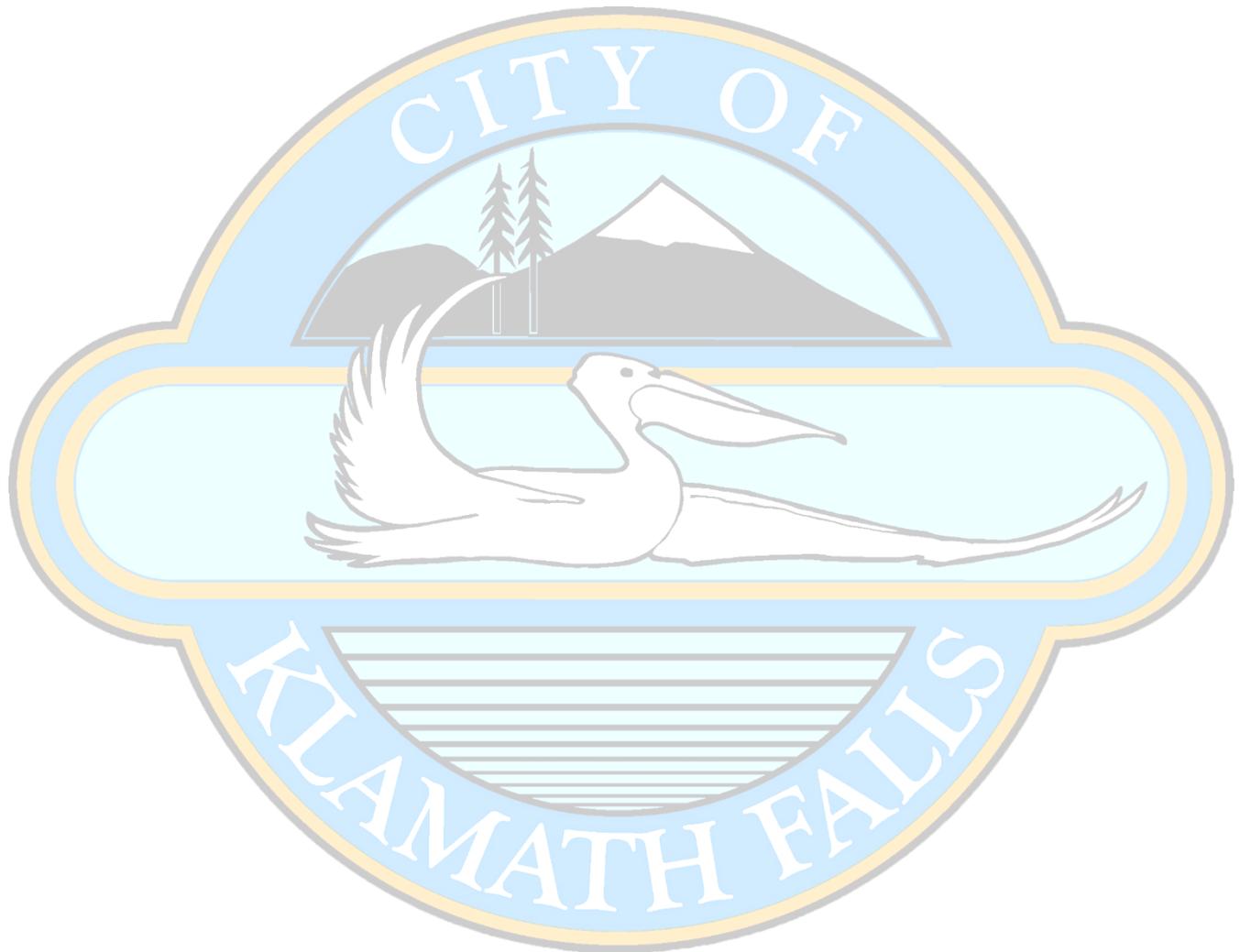
The Veterans Memorial Committee continues to work on the 2nd phase of the expansion for the memorial.

Resources

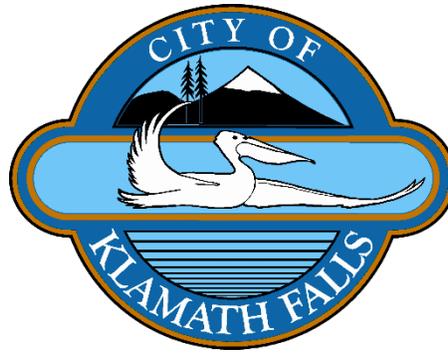
	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	150,074	154,291	155,075	156,850	156,850	156,850
INVESTMENT INCOME	3,326	(524)	1,500	1,175	1,175	1,175
OTHER REVENUES	2,343	3,750	5,000	3,500	3,500	3,500
Fund: 307 - VETERAN’S MEMORIAL FUND Total:	155,743	157,517	161,575	161,525	161,525	161,525

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	22	20	125	50	50	50
MAINTENANCE & REPAIRS	44	-	750	1,450	1,450	1,450
COMMUNICATIONS	-	-	25	-	-	-
SUPPLIES	24	-	50	-	-	-
OTHER MATERIALS & SERVICES	120	120	125	675	675	675
MATERIALS & SERVICES Total:	210	140	1,075	2,175	2,175	2,175
CAPITAL OUTLAY						
INFRASTRUCTURE	1,241	2,309	5,000	2,500	2,500	2,500
CAPITAL OUTLAY Total:	1,241	2,309	5,000	2,500	2,500	2,500
RESERVED FOR FUTURE	-	-	155,500	156,850	156,850	156,850
ENDING BALANCE	154,291	155,068	-	-	-	-
Fund: 307 - VETERAN’S MEMORIAL FUND Total:	155,743	157,517	161,575	161,525	161,525	161,525



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Inactive Funds

- Parks Fund
- Streets Fund
- Street Lighting Fund
- Cogeneration Fund
- Technology Reserve Fund
- Footpaths/Bicycle Trails Fund



Parks Fund

Resources

	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	1,624,616	-	-	-	-	-
Fund: 107 - PARKS FUND Total:	1,624,616	-	-	-	-	-

Requirements

	2015-2016 Total Activity	2016-2017 Total Activity	2017-2018 Total Budget	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
INTER-FUND TRANSFER OUT	1,624,616	-	-	-	-	-
Fund: 107 - PARKS FUND Total:	1,624,616	-	-	-	-	-



Streets Fund

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	4,576,753	-	-	-	-	-
Fund 111 - STREET FUND Total:	4,576,753	-	-	-	-	-

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
INTER-FUND TRANSFER OUT	4,576,753	-	-	-	-	-
Fund 111 - STREET FUND Total:	4,576,753	-	-	-	-	-



Street Lighting Fund

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	465,657	-	-	-	-	-
Fund: 113 - STREET LIGHTING FUND Total:	465,657	-	-	-	-	-

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
INTER-FUND TRANSFER OUT	465,657	-	-	-	-	-
Fund: 113 - STREET LIGHTING FUND Total:	465,657	-	-	-	-	-



Cogeneration Fund

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	706,617	504,835	-	-	-	-
INVESTMENT INCOME	3,799	1,382	-	-	-	-
Fund: 120 - COGENERATION FUND Total:	710,416	506,217	-	-	-	-

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
MATERIALS & SERVICES						
PROFES SERVICE CONTRACTS	1,500	1,500	-	-	-	-
MATERIALS & SERVICES Total:	1,500	1,500	-	-	-	-
INTER-FUND TRANSFER OUT	204,081	504,717	-	-	-	-
ENDING BALANCE	504,835					
Fund: 120 - COGENERATION FUND Total:	710,416	506,217	-	-	-	-



Technology Reserve Fund

Resources

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Revenue						
NET WORKING CAPITAL	235,191	143,725	-	-	-	-
INVESTMENT INCOME	1,552	-	-	-	-	-
OTHER FINANCING SOURCES	60,000	-	-	-	-	-
Fund: 133 - TECHNOLOGY RESERVE FUND Total:	296,743	143,725	-	-	-	-

Requirements

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
	Total	Total	Total	Proposed	Approved	Adopted
Expense						
MATERIALS & SERVICES						
TRAVEL/TRAINING	11,691	-	-	-	-	-
NON-CAPITAL EQUIPMENT	1,063	-	-	-	-	-
MATERIALS & SERVICES Total:	12,754	-	-	-	-	-
CAPITAL OUTLAY						
INTANGIBLE	80,265	-	-	-	-	-
CAPITAL OUTLAY Total:	80,265	-	-	-	-	-
DEBT SERVICE						
DEBT PRINCIPAL	40,534	-	-	-	-	-
DEBT INTEREST	19,466	-	-	-	-	-
DEBT SERVICE Total:	60,000	-	-	-	-	-
INTER-FUND TRANSFER OUT	-	143,725	-	-	-	-
ENDING BALANCE	143,725	-	-	-	-	-
Fund: 133 - TECHNOLOGY RESERVE FUND Total:	296,743	143,725	-	-	-	-



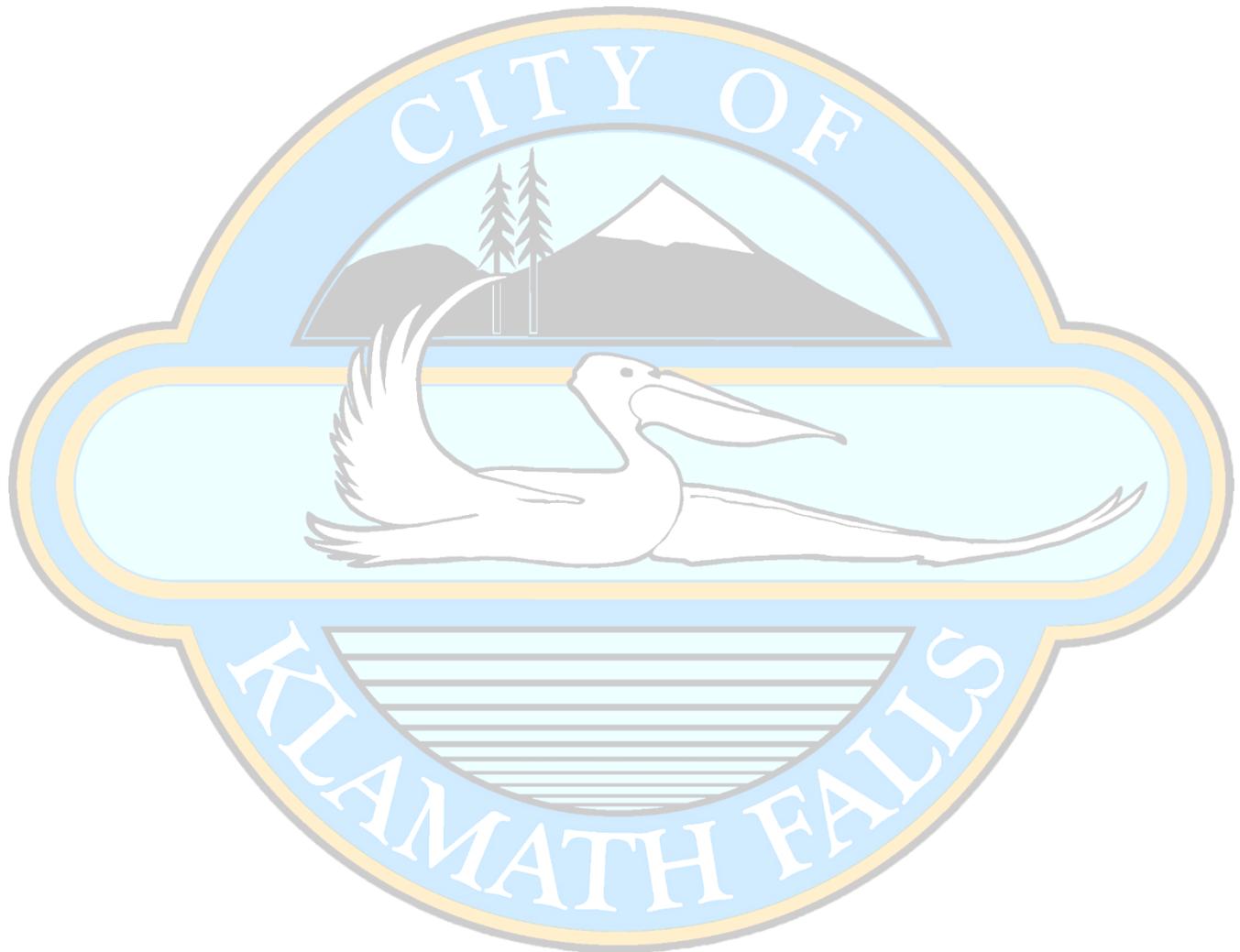
Footpaths/Bicycle Trails Fund

Resources

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Revenue						
NET WORKING CAPITAL	78,625	73,993	86,000	-	-	-
INTERGOVERNMENTAL	12,746	12,930	-	-	-	-
INVESTMENT INCOME	502	841	-	-	-	-
Fund: 134 - FOOTPATHS/BICYCLE TRAILS FUND Total:	91,873	87,764	86,000	-	-	-

Requirements

	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Proposed	2018-2019 Approved	2018-2019 Adopted
Expense						
MATERIALS & SERVICES						
INTERNAL CHARGES FOR SERVICES	1,475	1,800	-	-	-	-
MATERIALS & SERVICES Total:	1,475	1,800	-	-	-	-
CAPITAL OUTLAY						
INFRASTRUCTURE	16,405	2,709	-	-	-	-
CAPITAL OUTLAY Total:	16,405	2,709	-	-	-	-
INTER-FUND TRANSFER OUT	-	-	86,000	-	-	-
ENDING BALANCE	73,993	83,256	-	-	-	-
Fund: 134 - FOOTPATHS/BICYCLE TRAILS FUND Total:	91,873	87,764	86,000	-	-	-



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Resolutions, Public Notices, and Tax Certification

RESOLUTION NO. 18-08

A RESOLUTION ADOPTING THE 2018-2019 BUDGET OF THE CITY OF KLAMATH FALLS, OREGON, MAKING APPROPRIATIONS FOR FISCAL YEAR 2018-2019 AND LEVYING TAXES

WHEREAS, on May 22, 2018 the Klamath Falls Budget Committee conducted a public hearing on the Fiscal Year 2018-2019 budget document, as proposed by the City Manager, and all interested persons were afforded an opportunity to appear and be heard with respect to the proposed budget;

WHEREAS, on May 22, 2018 the City of Klamath Falls Budget Committee approved the Fiscal Year 2018-2019 budget document as presented and recommended its adoption by the Klamath Falls City Council;

WHEREAS, a summary of the approved budget for the City of Klamath Falls was duly published in the Herald and News, a newspaper of general circulation in the City on June 12, 2018; and

WHEREAS, on June 18, 2018, the Klamath Falls City Council conducted a public hearing on the 2018-2019 budget document as approved by the Budget Committee, and all interested persons were again afforded an opportunity to appear and be heard with respect to the approved budget; NOW THEREFORE,

THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:

Section 1. Budget Adoption

The Klamath Falls City Council hereby adopts the budget for fiscal year 2018-2019, in the total amount of \$106,473,800. This budget is now on file at 500 Klamath Avenue in Klamath Falls, Oregon.

Section 2. Appropriations

The amounts shown below are hereby appropriated for the fiscal year beginning July 1, 2018, for the following purposes:

GENERAL FUND

Municipal Court	\$ 239,750
City Administration	695,875
Finance	763,925
Support Services	564,100
Technology Services	602,500
Public Works Administration	424,675
Development Services	1,121,275

Police	6,060,650	
Code Enforcement	210,475	
Legislative	198,850	
Maintenance	987,475	
Facilities Maintenance	164,875	
Parks	1,915,850	
Ella Redkey Pool	441,850	
Streets	5,082,375	
Vehicle Maintenance	248,100	
Street Lighting	192,400	
<u>Non-Departmental:</u>		
Debt Service	295,650	
Transfers Out	<u>211,775</u>	
Total GENERAL FUND Appropriations.....		\$ 20,422,425

AIRPORT FUND

Operations	\$ 5,979,575	
FAA Grants	1,007,175	
Debt Service	<u>141,800</u>	
Total AIRPORT FUND Appropriations.....		\$ 7,128,550

PARKING FUND

Parking	\$133,350	
Total PARKING FUND Appropriations.....		\$ 133,350

WASTEWATER FUND

Collections	\$ 4,164,075	
Treatment	17,882,000	
Debt Service	812,150	
Transfers Out	<u>1,350,000</u>	
Total WASTEWATER FUND Appropriations.....		\$24,208,225

WATER FUND

Operations	\$ 7,671,350	
Utility Billing	1,251,500	
Geothermal	429,975	
Debt Service	61,900	
Transfers Out	<u>983,850</u>	
Total WATER FUND Appropriations.....		\$10,398,575

<u>DOWNTOWN MAINTENANCE DISTRICT FUND</u>		
Downtown Maintenance	\$ 151,725	
Total DOWNTOWN MAINTENANCE DISTRICT FUND Appropriations...		\$ 151,725
<u>ECONOMIC DEVELOPMENT/PROPERTY FUND</u>		
Economic Development/Property	\$ 515,300	
Contingency	<u>41,850</u>	
Total ECONOMIC DEVELOPMENT/PROPERTY FUND Appropriations...		\$ 557,150
<u>CAPITAL PROJECTS FUND</u>		
Transfer Out	\$ 4,000,000	
Total CAPITAL PROJECTS FUND Appropriations.....		\$ 4,000,000
<u>ESCROW RESERVE FUND</u>		
Transfer Out	\$ 1,485,000	
Total ESCROW RESERVE FUND Appropriations.....		\$ 1,485,000
<u>DEBT SERVICE FUND</u>		
Debt Service	\$ 280,450	
Total DEBT SERVICE FUND Appropriations.....		\$ 280,450
<u>BINET FUND</u>		
BINET	\$ 15,000	
Total BINET FUND Appropriations.....		\$ 15,000
<u>VETERAN'S MEMORIAL AGENCY FUND</u>		
Veteran's Memorial	\$ 4,675	
Total VETERAN'S MEMORIAL AGENCY FUND Appropriations.....		\$ 4,675
Total APPROPRIATIONS, All Funds.....		\$ 68,785,125
Total Unappropriated and Reserve Amounts, All Funds.....		<u>37,688,675</u>
TOTAL ADOPTED BUDGET.....		\$106,473,800

Resolution No. 18-08, Page 3

Section 3. Levy of Taxes

The City Council of the City of Klamath Falls hereby imposes the taxes provided for in the adopted budget at a rate of \$5.4423 per \$1,000 of assessed value for permanent tax rate and in the amount of \$220,000 for debt service on general obligation bonds; and that these taxes are hereby imposed for tax year 2018-2019 upon the assessed value of all taxable property within the district and categorized as follows:

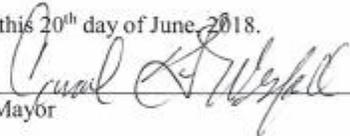
	General government	Excluded from limitation
Permanent rate tax	\$5.4423/\$1,000	
General obligation bond		\$ 220,000

Section 4.

This Resolution shall become effective immediately upon enactment.

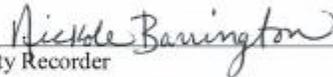
Passed by the Council of the City of Klamath Falls, Oregon, the 18th day of June, 2018.

Presented to the Mayor, approved and signed this 20th day of June, 2018.



Mayor

ATTEST:



City Recorder

STATE OF OREGON)
COUNTY OF KLAMATH)ss.
CITY OF KLAMATH FALLS)

I, Nickole Barrington, Recorder for the City of Klamath Falls, Oregon, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon, at the meeting held on the 18th day of June, 2018, and thereafter approved and signed by the Mayor and attested by the City Recorder.



City Recorder

RESOLUTION NO. 18-07

**A RESOLUTION FOR THE RECEIPT OF
2018/2019 STATE REVENUE SHARING FUNDS**

WHEREAS, ORS 221.770 provides for the distribution of certain state revenues to cities in the form of State Revenue Sharing;

WHEREAS, ORS 221.770 requires the City to annually notify the State of Oregon of the City's election to use State Revenue Sharing funds for the coming fiscal year;

WHEREAS, in compliance with ORS 221.770, and after adequate public notice, the City has held two public hearings; one before the Budget Committee on May 22, 2018 and one before the City Council on June 18, 2018, at which citizens were given the opportunity to provide oral and written comments on proposed uses of the State Revenue Sharing distribution; and

WHEREAS, for fiscal year 2018/2019, the City will use the proposed revenue sharing dollars for various general government purposes; **NOW THEREFORE**,

THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:

Section 1.

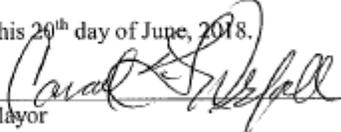
Pursuant to ORS 221.770, the City hereby elects to receive state revenues for Fiscal Year 2018/2019 to be used for various general government purposes.

Section 2.

This Resolution shall become effective immediately upon enactment.

Passed by the Council of the City of Klamath Falls, Oregon, the 18th day of June, 2018.

Presented to the Mayor, approved and signed this 20th day of June, 2018.



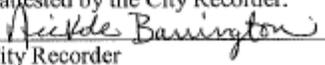
Mayor

ATTEST:


City Recorder

STATE OF OREGON)
COUNTY OF KLAMATH)ss.
CITY OF KLAMATH FALLS)

I, Nichole Barrington, Recorder for the City of Klamath Falls, Oregon, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon, at the meeting held on the 18th day of June, 2018 and thereafter approved and signed by the Mayor and attested by the City Recorder.



City Recorder

**AFFIDAVIT OF PUBLICATION
STATE OF OREGON,
COUNTY OF KLAMATH**

I, Pat Bergstrom, Legal Specialist, being duly sworn, depose and say that I am the principle clerk of the publisher of the Herald and News, a newspaper in general circulation, as defined by Chapter 193 ORS, printed and published at 2701 Foothills Blvd, Klamath Falls, OR 97603 in the aforesaid county and state; that I know from my personal knowledge that the Legal#18372 BUDGET MEETING MEETING: MAY 22, 2018 a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for: 1

Insertion(s) in the following issues:
05/10/2018

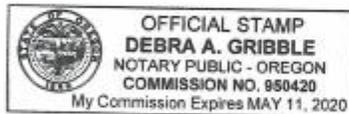
Total Cost: \$125.24



Subscribed and sworn by Pat Bergstrom before me on:
10th day of May in the year of 2018



Notary Public of Oregon
My commission expires on May 11, 2020

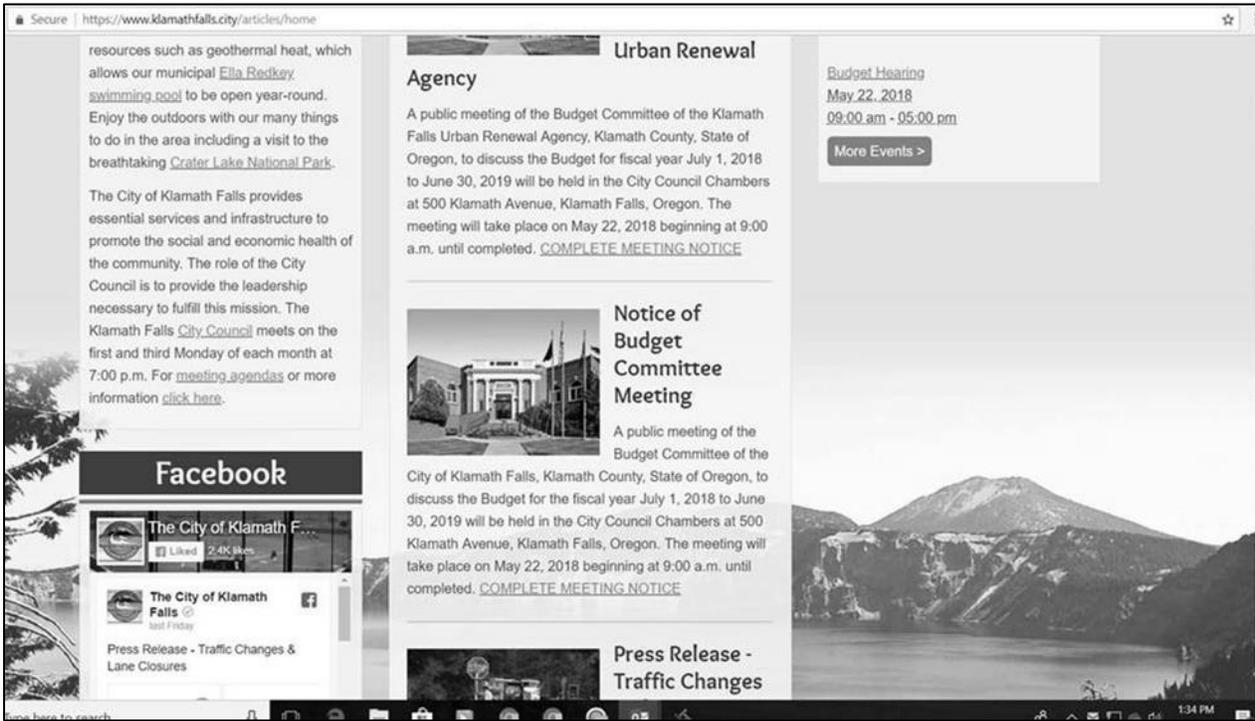
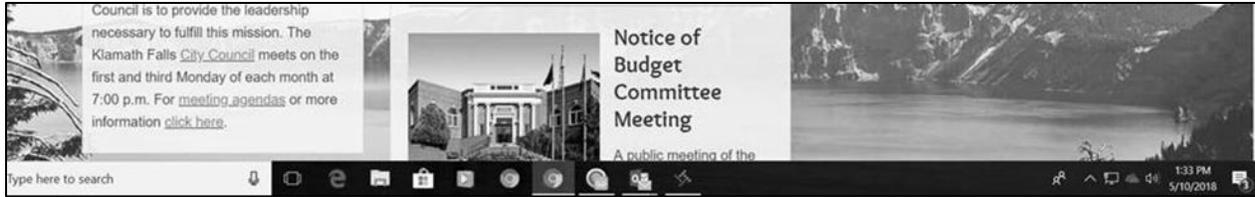


**NOTICE OF CITY OF KLAMATH FALLS
BUDGET COMMITTEE MEETING**

A public meeting of the Budget Committee of the City of Klamath Falls, Klamath County, State of Oregon, to discuss the Budget for the fiscal year July 1, 2018 to June 30, 2019 will be held in the City Council Chambers at 500 Klamath Avenue, Klamath Falls, Oregon. The meeting will take place on May 22, 2018 beginning at 9:00 a.m. until completed. The purpose of the meeting is to receive the Budget Message and to receive comment from the public on the Budget. A copy of the Budget document may be inspected or obtained on or after May 15, 2018 at the City Administration Building, 500 Klamath Avenue, Klamath Falls, Oregon, between the hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. This is a public meeting where deliberation of the Budget Committee will take place. Discussion will be held on State Revenue Sharing regarding possible use of funds. This Notice will also be posted on the City's website at www.klamathfalls.city beginning May 10, 2018.

Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. Disabled persons desiring to attend may call the City Recorder's office at 541-883-5325 for necessary arrangements. Hearing impaired persons desiring information may call the City's TDD line at 541-883-5324.

Nickole Barrington
City Recorder
PUBLISH: May 10, 2018
#18372 May 10, 2018.



**AFFIDAVIT OF PUBLICATION
STATE OF OREGON,
COUNTY OF KLAMATH**

I, Pat Bergstrom, Legal Specialist, being duly sworn, depose and say that I am the principle clerk of the publisher of the Herald and News, a newspaper in general circulation, as defined by Chapter 193 ORS, printed and published at 2701 Foothills Blvd, Klamath Falls, OR 97603 in the aforesaid county and state; that I know from my personal knowledge that the Legal#18418 LB-L

NOTICE OF BUDGET HEARING
a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for: 1

Insertion(s) in the following issues:
06/12/2018

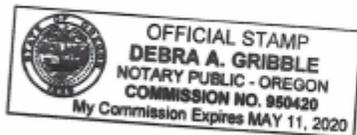
Total Cost: \$799.09

Pat Bergstrom

Subscribed and sworn by Pat Bergstrom before me on:
12th day of June in the year of 2018

Debra A Gribble

Notary Public of Oregon
My commission expires on May 11, 2020



FORM LB-1 NOTICE OF BUDGET HEARING			
A public meeting of the City Council of the City of Klamath Falls, Oregon will be held on June 18, 2018 at 7:00 pm in the Council Chambers of the City Hall Administration Building, 500 Klamath Avenue, Klamath Falls, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018 as approved by the City of Klamath Falls Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the office of the City Recorder in City Hall Administration, between the hours of 8:00 a.m. and 5:00 p.m. or online at https://www.klamathfalls.city/i-want-to/find/city-hall/support-services/finance/articles/finance . This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year. Disabled persons desiring to attend may call 541-883-5316 for necessary arrangements. Hearing impaired persons desiring information may call the City's TDD/TTY line at 541-883-5324.			
Contact: Nickole Barrington, City Recorder		Telephone: 541-883-5325	Email: nbarrington@klamathfalls.city
FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2016-2017	Adopted Budget This Year 2017-2018	Approved Budget Next Year 2018-2019
Beginning Fund Balance/Net Working Capital	46,822,064	49,294,200	49,687,625
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	19,615,298	19,758,800	19,878,325
Federal, State and all Other Grants, Gifts, Allocations and Donations	5,978,904	16,824,600	9,787,525
Revenue from Bonds and Other Debt	532,469	1,401,150	8,250,175
Interfund Transfers / Internal Service Reimbursements	4,128,233	8,021,300	10,679,750
All Other Resources Except Current Year Property Taxes	1,071,965	1,186,050	1,233,000
Current Year Property Taxes Estimated to Be Received	6,483,444	6,437,750	6,957,400
Total Resources	84,632,377	102,923,850	106,473,800
FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	13,822,531	15,412,950	15,562,600
Materials and Services	9,329,584	11,275,500	13,146,750
Capital Outlay	8,466,334	28,538,725	30,411,350
Debt Service	1,874,858	1,540,675	1,591,950
Interfund Transfers	1,761,756	5,961,300	8,030,625
Contingencies	0	11,900	41,850
Special Payments	0	0	0
Unappropriated Ending Balance and Reserved for Future Expenditure	49,377,314	40,182,800	37,688,675
Total Requirements	84,632,377	102,923,850	106,473,800
FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM			
Name of Organizational Unit or Program FTE for that unit or program			
Municipal Court	191,273	229,450	239,750
FTE	2.40	2.40	2.40
City Administration (formerly City Manager)	505,439	735,300	695,875
FTE	4.70	5.00	5.00
Legal	205,538	0	0
FTE	1.00	0.00	0.00
Finance	679,008	707,375	763,925
FTE	6.00	6.00	6.50
Support Services (formerly Human Resources)	296,333	436,650	564,100
FTE	2.50	3.50	4.50
Technology Services	434,150	436,325	602,500
FTE	2.50	2.50	3.50
Public Works Administration	293,721	402,250	424,675
FTE	2.00	3.00	3.00
Development Services	870,526	925,875	1,121,275
FTE	8.00	8.50	9.50
Police	5,527,087	6,182,750	6,060,650
FTE	40.00	40.00	40.00
Code Enforcement	206,910	201,550	210,475
FTE	2.00	2.00	2.00
Legislative	90,686	198,400	198,850
FTE	0.00	0.70	0.70
Maintenance Services	873,137	995,575	987,475
FTE	10.00	10.00	10.00
Facilities Maintenance	0	178,925	164,875
FTE	0.00	0.00	0.00
Parks	1,007,265	2,669,175	1,915,850
FTE	6.00	6.00	6.00
Pool	338,768	591,025	441,850
FTE	6.60	7.60	6.00
Streets	2,685,423	4,460,975	5,082,375
FTE	9.00	10.00	10.00
Fleet Maintenance	199,469	245,900	248,100
FTE	2.00	2.00	2.00
Street Lighting	194,167	296,525	192,400
FTE	0.00	0.00	0.00

Airport-Operations	1,648,413	6,671,325	5,979,575
FTE	6.00	7.00	6.00
Airport-FAA Grants	2,661,745	7,730,000	1,007,175
FTE	0.00	0.00	0.00
Parking	100,407	100,100	133,350
FTE	1.00	1.00	1.00
Wastewater-Collections	2,309,672	2,864,975	4,164,075
FTE	8.67	9.00	9.00
Wastewater-Treatment	2,405,179	8,969,625	17,882,000
FTE	5.00	6.50	6.50
Water-Operations	6,063,674	7,052,275	7,671,350
FTE	12.83	13.50	13.50
Water-Utility Billing	793,815	1,204,375	1,251,500
FTE	10.00	10.00	10.00
Water-Geothermal	148,152	152,450	429,975
FTE	0.00	0.00	0.00
Downtown Maintenance District	96,499	147,600	151,725
FTE	0.00	0.00	0.00
Economic Development	212,244	419,350	515,300
FTE	0.00	0.00	0.00
Footpaths/Bicycle Trails	4,509	0	0
FTE	0.00	0.00	0.00
BINET	15,000	15,000	15,000
FTE	0.00	0.00	0.00
Veteran's Memorial	2,449	6,075	4,675
FTE	0.00	0.00	0.00
Not Allocated to Organizational Unit or Program	53,571,719	47,696,675	47,353,100
FTE	0.00	0.00	0.00
Total Requirements	84,632,377	102,923,850	106,473,800
Total FTE	148.20	156.20	157.10

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING

The Wastewater Fund will take out \$8,150,675 in debt to build the new treatment plant. \$3,000,000 will also be transferred from the Capital Projects Fund to the Wastewater Fund for additional funding. Capital expenditures for the treatment plant are budgeted at \$15,000,000 for this fiscal year.

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2016-2017	Rate or Amount Imposed This Year 2017-2018	Rate or Amount Approved Next Year 2018-2019
Permanent Rate Levy (rate limit 5.4423 per \$1,000)	5.4423	5.4423	5.4423
Levy For General Obligation Bonds	185,000	255,000	220,000

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$4,065,687	\$0
Other Bonds	\$7,677,121	\$0
Other Borrowings	\$584,692	\$22,634,802
Total	\$12,327,500	\$22,634,802

#18418 June 12, 2018

Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment, or Charge on Property

FORM LB-50 2018-2019

To assessor of Klamath County

Check here if this is an amended form.

• Be sure to read instructions in the current Notice of Property Tax Levy Forms and Instructions booklet.

The City of Klamath Falls has the responsibility and authority to place the following property tax, fee, charge, or assessment

District name

on the tax roll of Klamath County. The property tax, fee, charge, or assessment is categorized as stated by this form.

County name

 PO Box 237; 500 Klamath Ave. Klamath Falls OR 97601 6/27/18

Mailing address of district

City

State

ZIP code

Date submitted

 Jessica Lindsay Finance Manager 541-883-5354 jlindsay@klamathfalls.city

Contact person

Title

Daytime telephone number

Contact person e-mail address

CERTIFICATION—You must check one box if you are subject to Local Budget Law.

- The tax rate or levy amounts certified in Part I are within the tax rate or levy amounts approved by the budget committee.
- The tax rate or levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.456.

PART I: TAXES TO BE IMPOSED

	Subject to General Government Limits		
	Rate	— or — Dollar Amount	
1. Rate per \$1,000 or total dollar amount levied (within permanent rate limit) ... 1	5.4423		
2. Local option operating tax2			Excluded from Measure 5 Limits
3. Local option capital project tax3			
4. City of Portland Levy for pension and disability obligations4			Dollar Amount of Bond Levy
5a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 20015a			
5b. Levy for bonded indebtedness from bonds approved by voters after October 6, 20015b			220,000.00
5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b)5c			220,000.00

PART II: RATE LIMIT CERTIFICATION

6. Permanent rate limit in dollars and cents per \$1,0006	
7. Election date when your new district received voter approval for your permanent rate limit7	
8. Estimated permanent rate limit for newly merged/consolidated district8	

PART III: SCHEDULE OF LOCAL OPTION TAXES— Enter all local option taxes on this schedule. If there are more than two taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First tax year levied	Final tax year to be levied	Tax amount — or — rate authorized per year by voters

PART IV: SPECIAL ASSESSMENTS, FEES, AND CHARGES

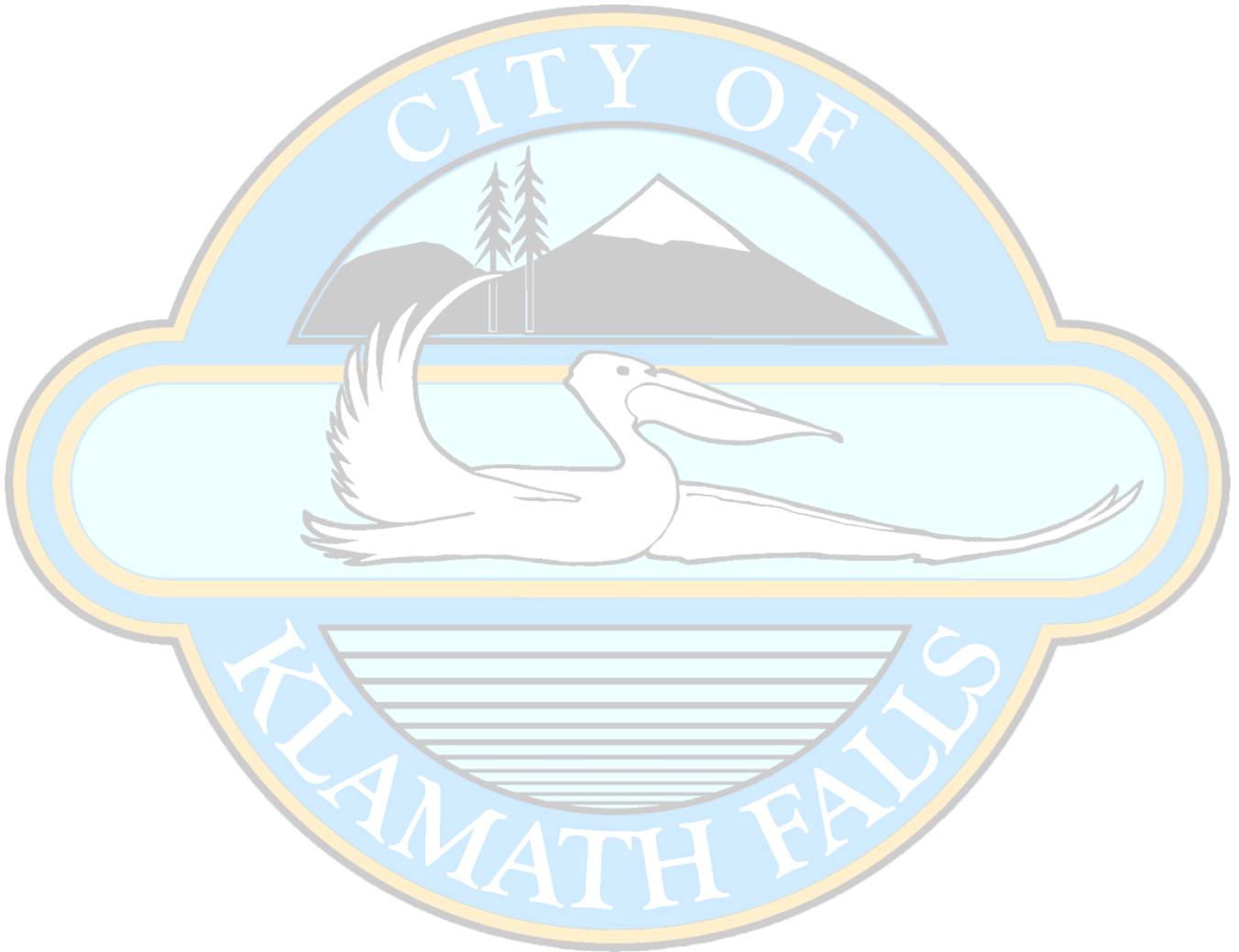
Description	Subject to General Government Limitation	Excluded from Measure 5 Limitation
1		
2		

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property. **The authority for putting these assessments on the roll is ORS _____.** (Must be completed if you have an entry in Part IV.)

150-504-073-7 (Rev. 11-17)

Form LB-50 (continued on next page)

(see the back for worksheet for lines 5a, 5b, and 5c)
File with your assessor no later than **JULY 15**, unless granted an extension in writing.



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City of Klamath Falls
FY 2018-2019 Budget
