

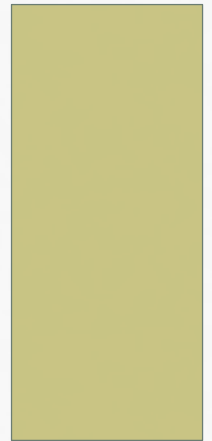


PENDLETON

Working every day to be the premier city in Eastern Oregon

UNDERSTANDING THE BASICS

CITY BUDGET & STREET FUNDING



AGENDA

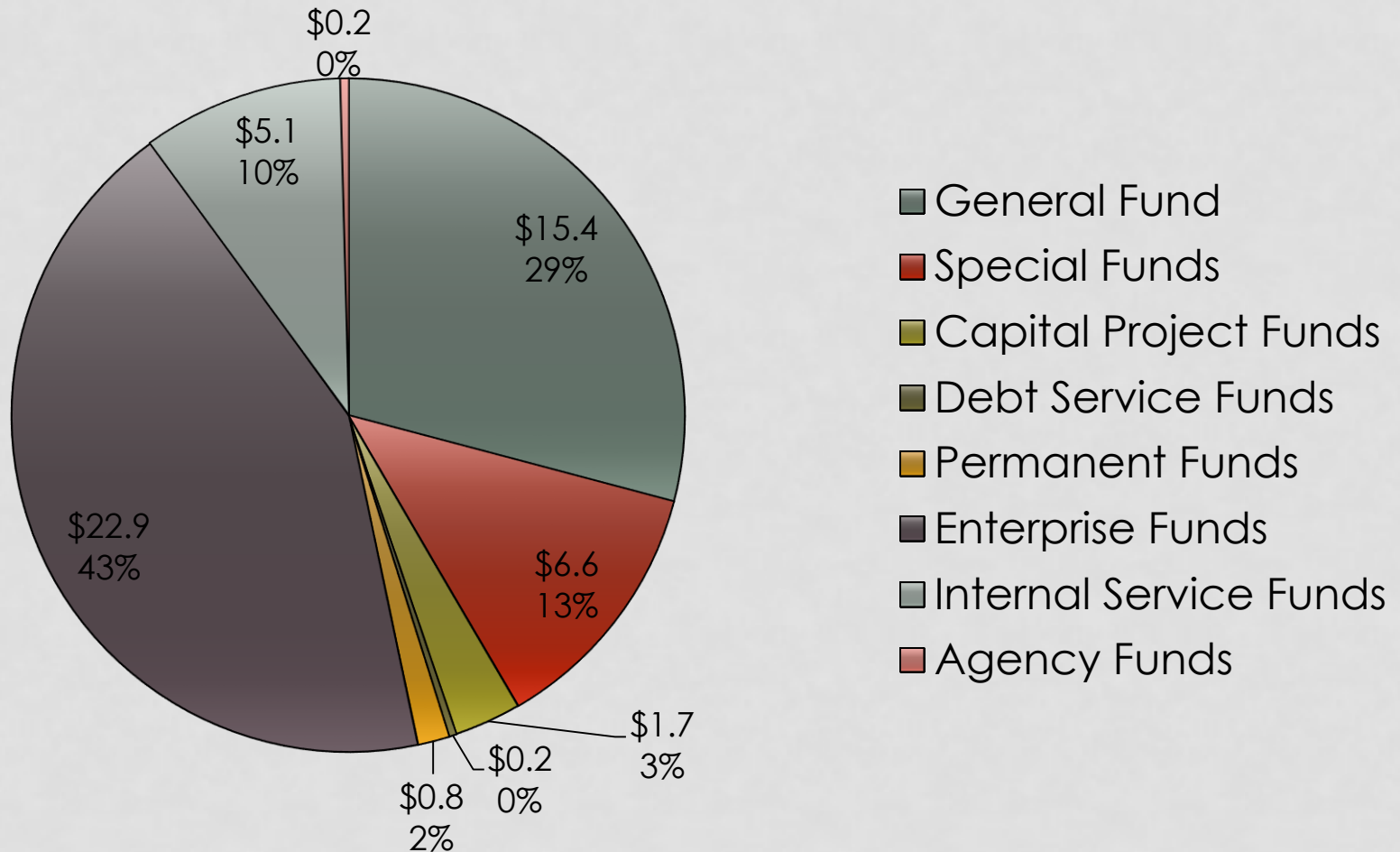
- Brief City Budget Presentation
 - Help citizens understand how the city is funded
 - Help citizens understand our identified needs
 - Help form the discussion
- Highlight Street Funding Issues
 - Help citizens understand how city streets are funded
 - Help citizens understand streets are expensive to maintain and are underfunded
 - Help form the discussion
- Community Comments / Concerns / Questions
 - On-hand to listen and answer questions
 - Councilors may also be in attendance

CITY BUDGET BASICS

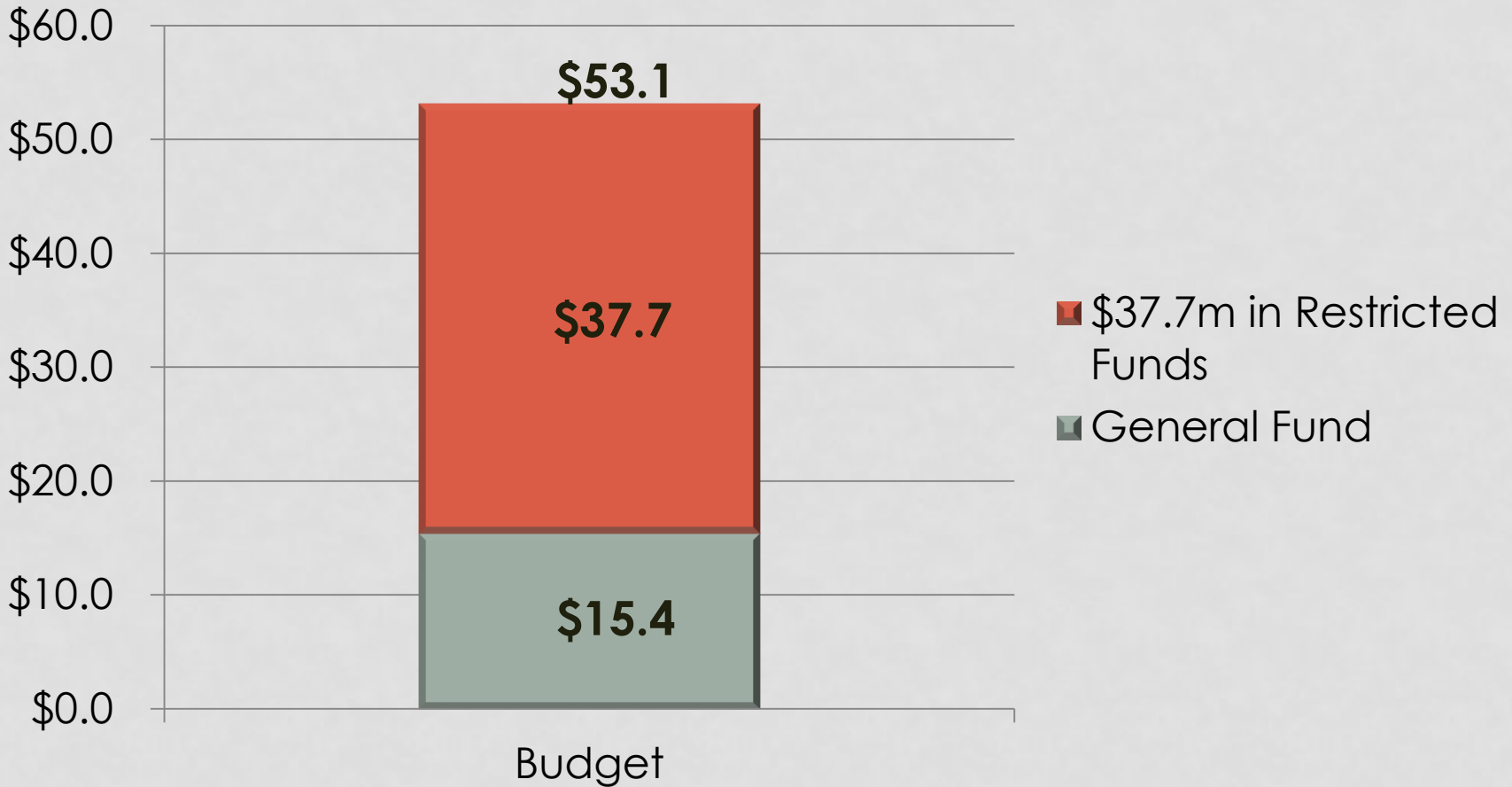
- Budget process is prescribed by Oregon Law.
- City follows these requirements:
 - Standardized format
 - July – June fiscal year – currently 2015/16
 - Public hearing and publication requirements
 - Designate specific categories
 - 8 such categories:
 - 35 separate funds
 - Each fund must balance income and expenses
 - Every city has a general operating fund
 - Deficit spending not allowed
 - Borrowing internal funds is allowed
 - Revenues & expenses must balance

CITY BUDGET - \$53.1 MILLION

EIGHT CATEGORY BREAKDOWN



2015/16 BUDGET (MILLIONS)



- 34 Restricted Funds: 7 categories: all must be used for a specific purpose.
- General Fund: 1 category: can be used for any lawful purpose.

- PERSONAL PROPERTY TAXES - WHERE DOES YOUR MONEY GO?

For every \$1 a property owner in the city limits pays

Other
\$.03

Schools
\$.41

City
\$.39

County
\$.17



General Fund, Bond Levy,
District 16, ESD, BMCC

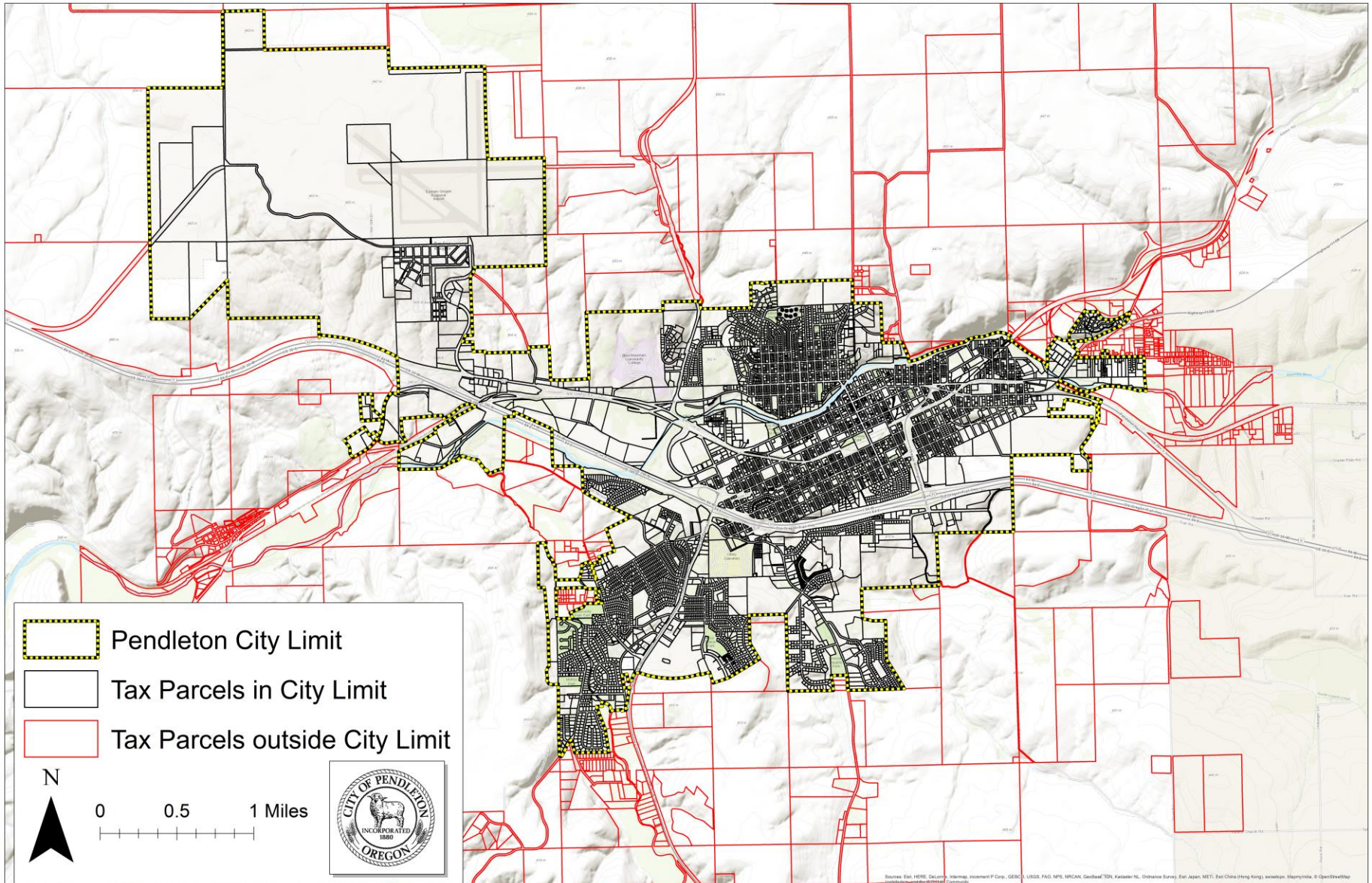
General Fund (**\$5.3M**),
Bond Levy, Urban Renewal
Total \$6.1M

General Fund,
Bond Levy

Port of Umatilla, County Radio, Library District

ENTITIES THAT DO NOT PAY PROPERTY TAX

- Properties located outside the city limits
- Government
 - Local, County, State, & Federal
- Schools
 - Pendleton School District, BMCC, Harris Junior Academy
- Churches
- Non-Profit Charitable
 - Eagles, Elks, Odd Fellows, Masons, Knights of Pythias, etc.
- Non-Profit Support Agencies
 - Salvation Army, United Way, CAPECO, Lifeways, etc.
- Non-Profit Owned Businesses
 - St. Anthony Hospital is a good example.

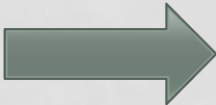


Source: Esri, HERE, DeLorme, Swisstopo, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeBCO, IGN, Kartica, NLS, OpenStreetMap, Esri, Japan, METI, Esri China (Hong Kong), Swisstopo, Mapbox, © OpenStreetMap Community

PROPERTY TAXES DO NOT COVER BASIC SAFETY SERVICES

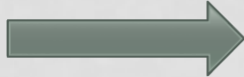


General Fund Property Taxes
\$5,324,250



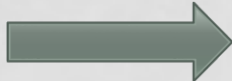
\$8,233,270
Annual cost for Public Safety

\$3,897,770



Ambulance & Fire

\$4,335,500



Police

\$2,909,020

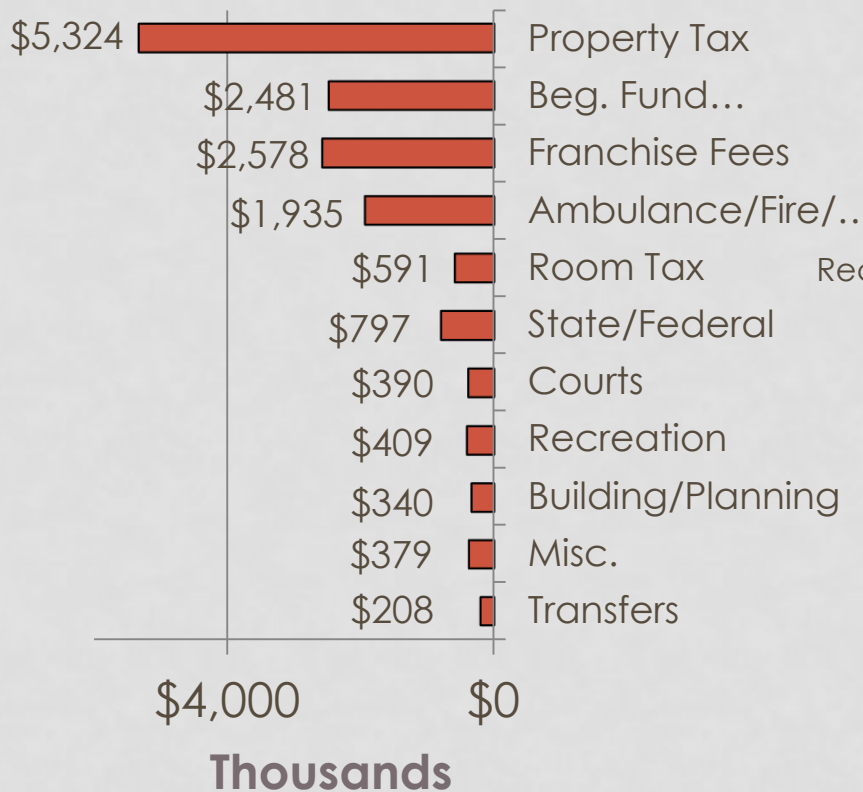


Other General Fund Revenue Sources

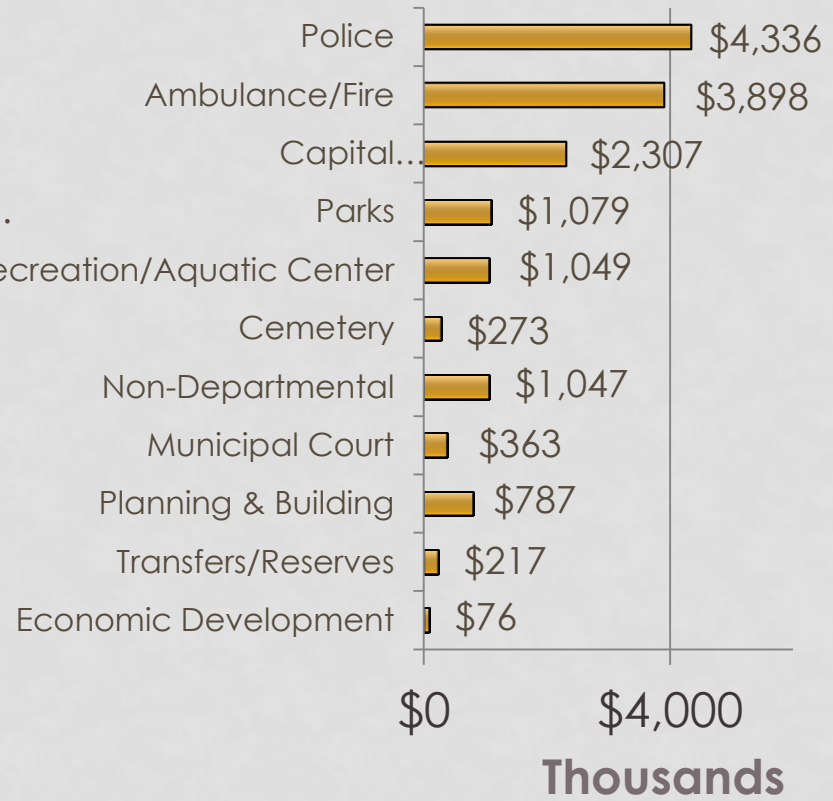
GENERAL FUND

2015-2016: \$15.4 MILLION

Revenue



Expense



Beginning Fund Balance Revenue & Capital Operating Expense:

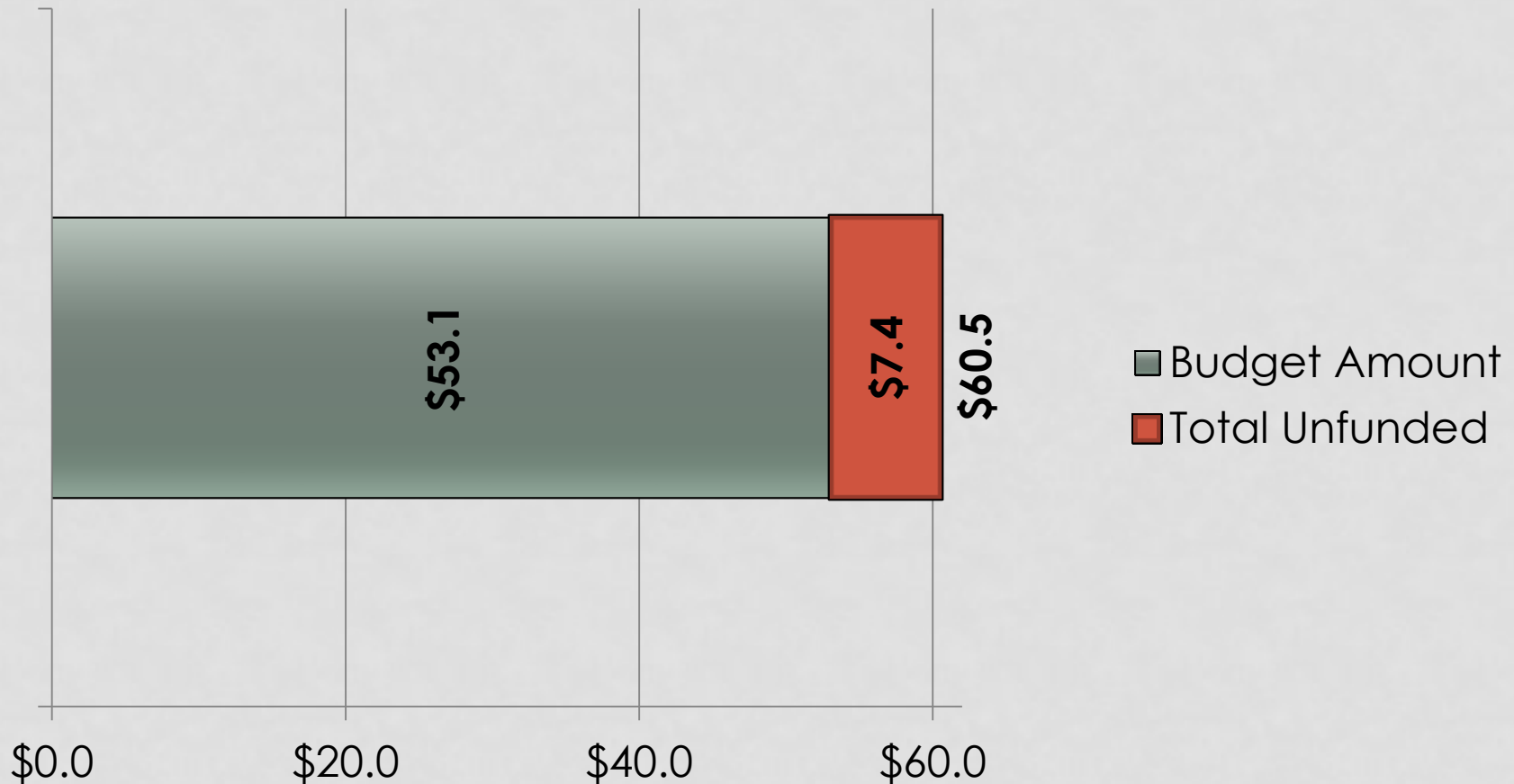
- Carry-over to operate city from August to November until new tax receipts come in
- Without carry-over, city would have to borrow and pay interest to operate until November

CITY BUDGET SUMMARY

- Budget reporting historically:
 - Balances expenses to revenues
 - Does not reflect “unfunded” costs associated with
 - Aging city facilities and equipment
 - Aging utility infrastructure (water, sewer, storm, streets)
 - Additional services
- Future budget reporting:
 - Better transparency on unfunded costs
 - Funding alternatives
 - More community discussion

ADDITIONAL BUDGET NEEDS

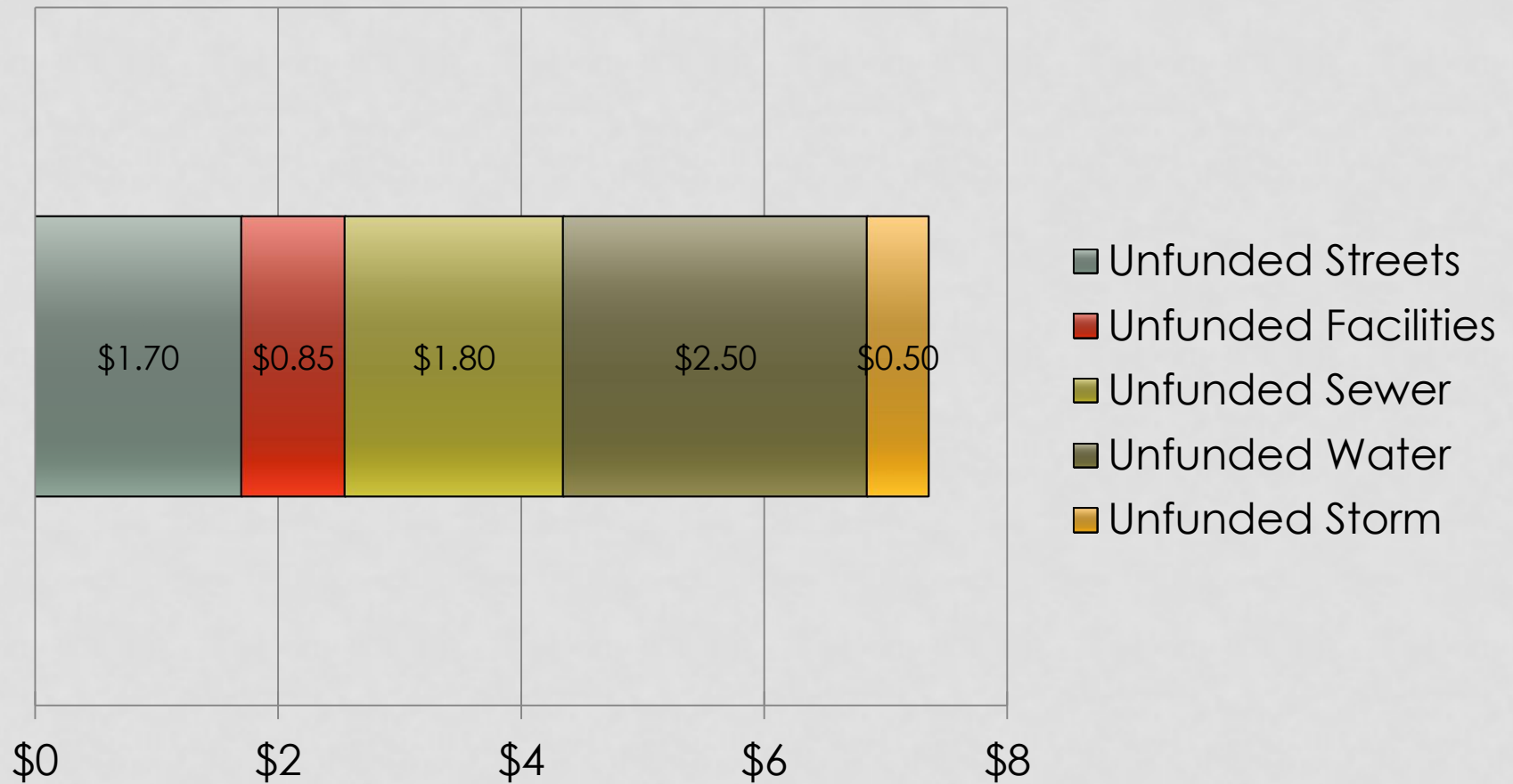
(\$ MILLIONS / YEAR)



Total Unfunded as identified by 2-year effort:

- Capital Investment Advisory Committee
- Water, Sewer, & Storm Master Plans adopted in 2015

UNFUNDED NEED BREAKDOWN (\$ MILLIONS / YEAR)



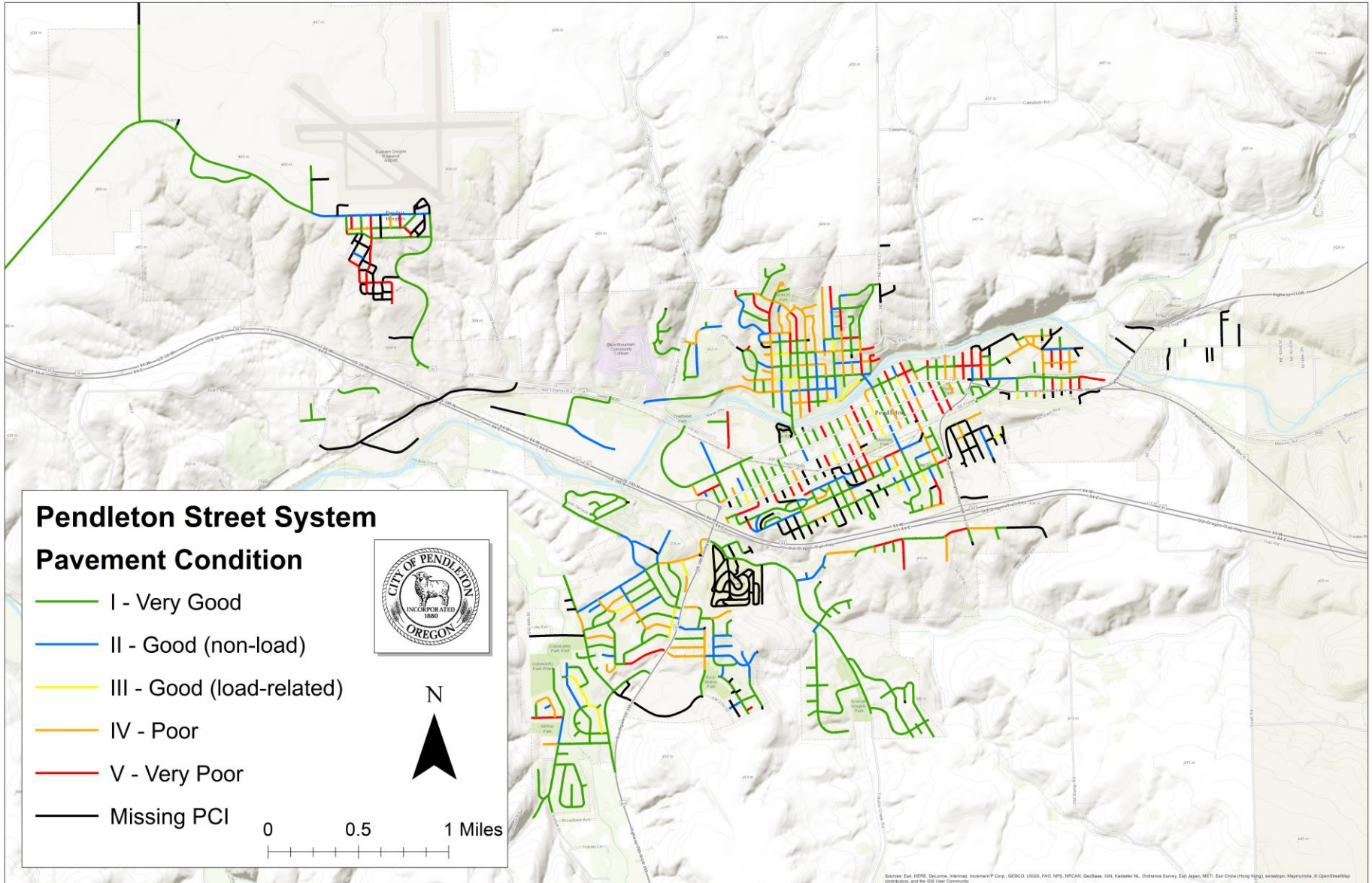
- Capital Investment Advisory Committee, city staff, & Master Plans
- Unfunded Streets is a beginning target amount set by committee

- STREETS - EXISTING FUNDING

- Current funding resources:
 - State gas tax share: \$ 950,400
 - Federal gas tax share: \$ 180,000
 - Total: \$1,130,400
- State gas tax:
 - 30¢ per gallon
 - Increased once in 22-years: 6¢ in 2011
 - City receives about \$32,000 for every 1¢ per gallon collected in Pendleton
- Federal gas tax:
 - 18.4¢ per gallon
 - Has not been increased in 22-years
 - City receives about \$9,800 for every 1¢ per gallon collected in Pendleton

- STREETS – BACKGROUND

- \$16 million backlog in road preservation
 - Identified in May 2013 Pavement Management Software Budget Operations Report
- Funding restricted for cleaning, repairing, operating, maintaining, and preserving city streets
- 87 miles of city streets
 - 1 city block ~ 300-feet
 - Over 1,500 city blocks
 - Also assist with maintaining 14 miles of state highway in the city



- STREETS – COSTS TO FULLY FUND

- Breakdown of an 80-year life cycle for a paved street
 - 1: 80-year replacement or reconstruction
 - 3: 20-year overlays
 - 8: 6 2/3-year crack seal / slurry seal treatments
- Relative street treatment costs:
 - \$ 3,000 per city block: for crack sealing or seal coat
 - \$15,000 per city block: for overlay with 2" of new pavement
 - \$80,000 per city block: for reconstructing the street
- Fully funded based on life cycle (today's costs):
 - Just under \$150,000 per city block for 80-year life cycle
 - About \$2,800,000 per year for all 1,500 city blocks
- Maintenance of city streets is very expensive and underfunded

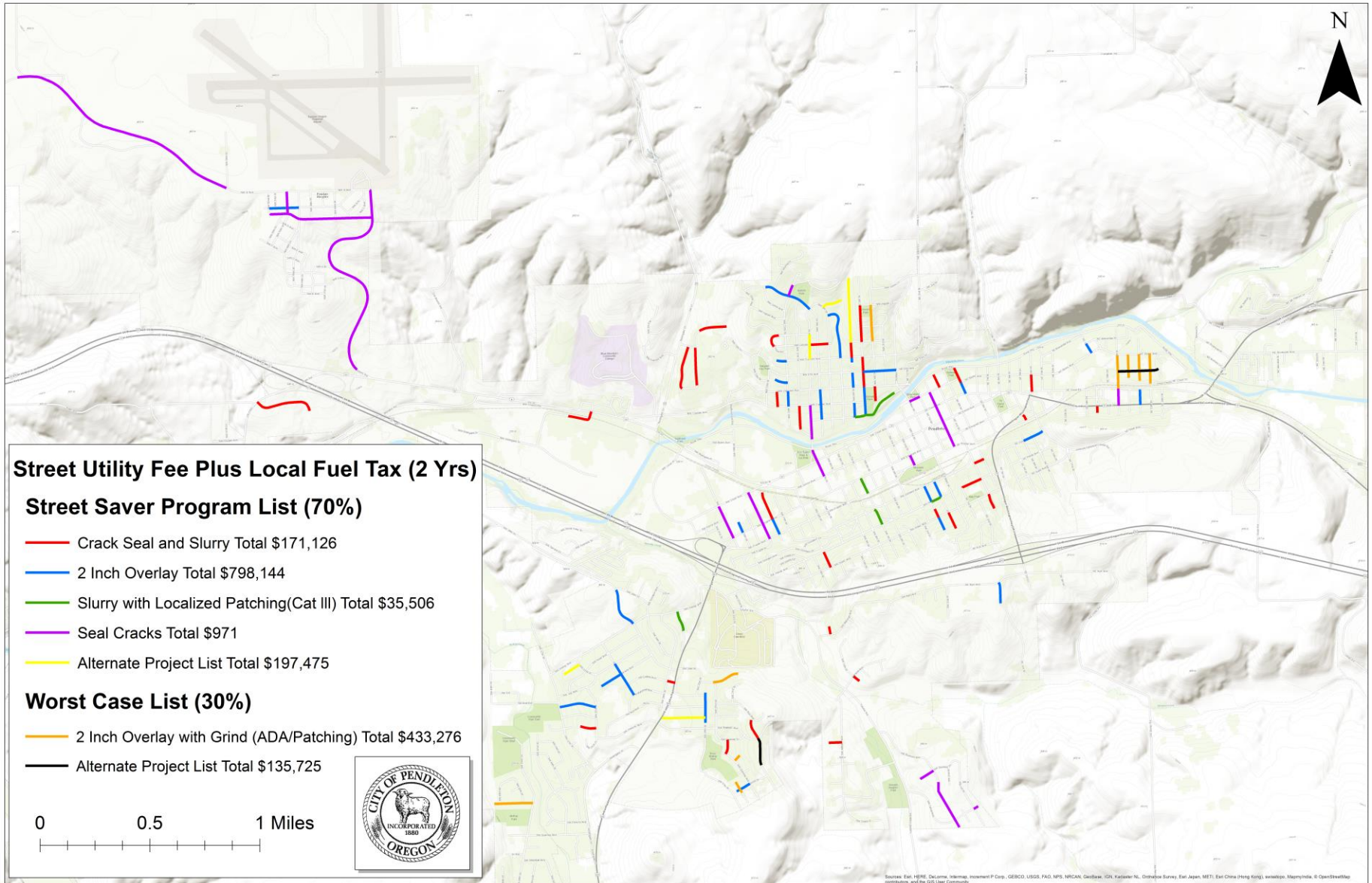
- RESIDENTIAL STREETS – PROPOSED FUNDING CONSIDERATIONS

- Street Utility Fee: \$5/month
 - Based on water meter equivalent
 - Residential based
 - Larger the water meter, the more the charge
 - \$60/year per household
 - City Council has approved, but has not initiated
 - \$481,000 per year in additional funding

- Local Motor Vehicle Fuel Tax: 5¢/gallon
 - 1 ¢/gallon generates \$110,000 per year
 - Based on Airport Road 4¢/gallon motor vehicle fuel tax that sunset in 2013
 - Needs voter approval
 - 55% of households contribute / 45% from other sources
 - Annual household costs depend on total miles driven and fuel economy
 - Average motorist uses about 372 gallons of fuel per year per: **\$1.60/month**
 - 10,000 miles per year @ 20 miles per gallon: **\$2.08/month**
 - 15,000 miles per year @ 20 miles per gallon: **\$3.13/month**
 - \$550,000 per year in additional funding
 - Sunsets in 10-years

- RESIDENTIAL STREETS – PROPOSED FUNDING CONSIDERATIONS

- 70% earmarked to apply to streets in good condition
 - Best value for the money
- 30% earmarked to apply to worst case streets
 - Begins to put money towards poor condition residential streets
- On-going 2-year list of projects
 - \$1,031,000 per year: Street Utility Fee plus Local Fuel Tax
 - \$ 481,000 per year: Street Utility Fee
 - City staff to produce on-going 2-year list for budget approval
 - Prioritize based on other underground utility needs
 - Water, sewer, storm, gas, power, communication, etc.
 - Make list available for public review



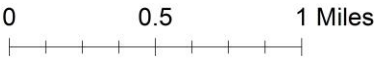
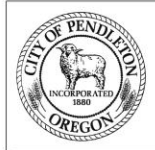
Street Utility Fee Plus Local Fuel Tax (2 Yrs)

Street Saver Program List (70%)

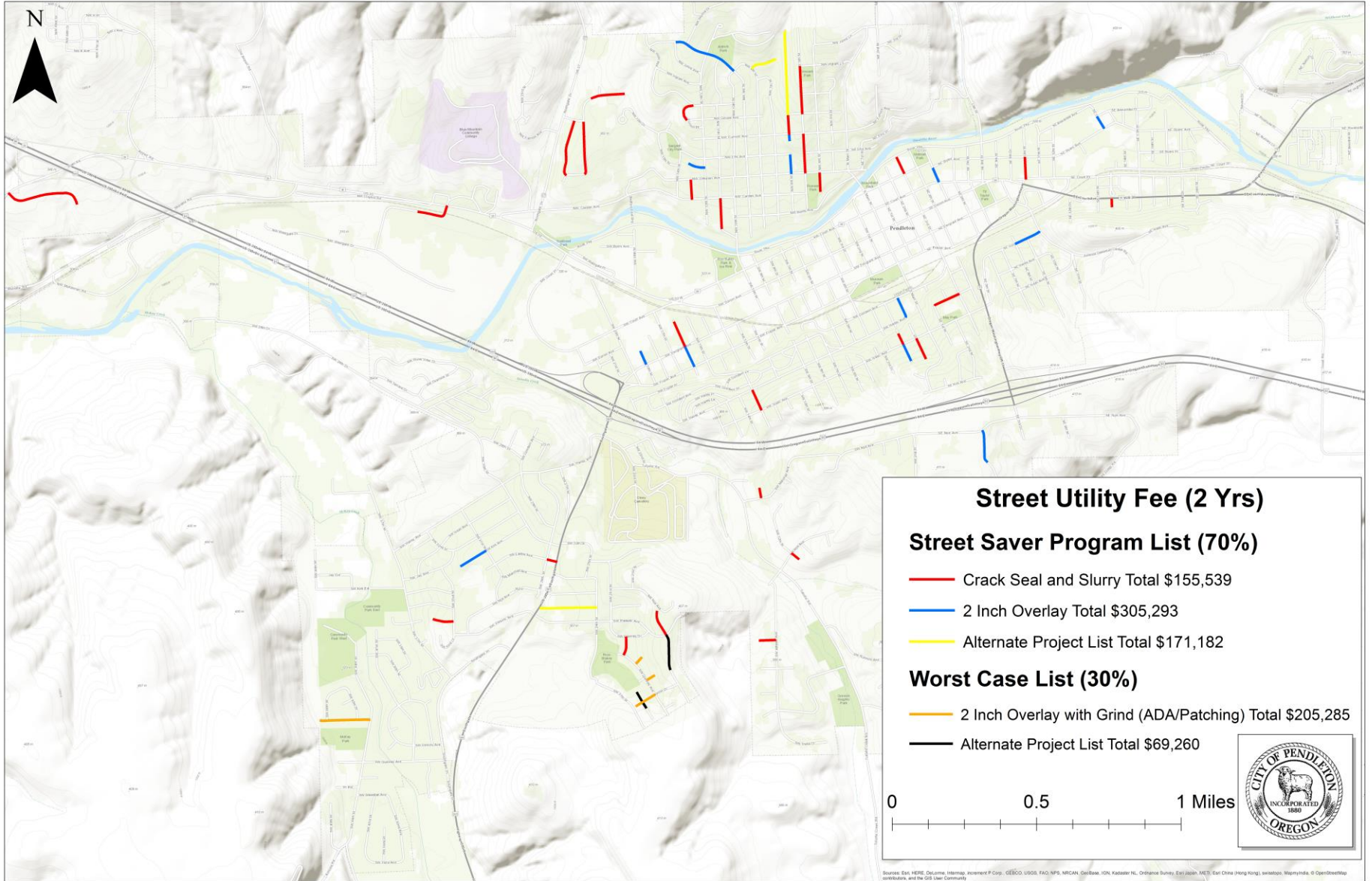
- Crack Seal and Slurry Total \$171,126
- 2 Inch Overlay Total \$798,144
- Slurry with Localized Patching(Cat III) Total \$35,506
- Seal Cracks Total \$971
- Alternate Project List Total \$197,475

Worst Case List (30%)

- 2 Inch Overlay with Grind (ADA/Patching) Total \$433,276
- Alternate Project List Total \$135,725



Sources: Esri, HERE, DeLorme, Intermap, Invertek P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GEBCO, IGN, Swisstopo, Esri, Japan (METI), Esri (China (Hong Kong)), Swisstopo, Mapbox, © OpenStreetMap contributors, and the GIS User Community



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- STREETS – FUNDING REVIEW SUMMARY

- \$ 300,000: existing street preservation funding
- \$2,800,000: fully funded 80-year life cycle for all 87 miles of city streets
- \$2,500,000: current funding shortfall

- Street Utility Fee and Local Motor Vehicle Fuel Tax are first steps in bridging the existing shortfall
 - Street Utility Fee: \$ 481,000 per year
 - Local Fuel Tax: \$ 550,000 per year
 - Total: \$1,031,000 per year
- Dedicated to existing paved residential streets

CONCERNS / QUESTIONS / COMMENTS

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