

Multnomah County Local Budget Law Training

8:30 AM, January 24, 2022

Tax Supervising and Conservation Commission

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Today's Agenda

8:30	Welcome & Introductions (10 min)						
8:40	What is the Tax Supervising and Conservation Commission? (5 min)						
8:45	Budget Law Basics (25 min)						
9:10	Proposed Budget – What is it and Estimating Resources (30 min)						
9:35	Break						
9:40	Proposed Budget – Estimating Requirements & Balancing the Budget (20 min)						
10:00	Tips on Forecasting (30 min)						
10:30	Approved Budget and the Budget Committee (20 min)						
10:50	TSCC Review of Approved Budget (10 min)						
11:05	Adopted Budget (10 min)						
11:15	Break	Everyone					
11:25	Post-Adoption Changes (10 min)						
11:35	12 Frequently Asked Questions about Local Budget Law (35 minutes)						
12:10	Resources/Questions (10 minutes)						
12:20	Wrap Up						



What is the Tax Supervising and Conservation Commission?



What is the TSCC?

- Created by the Legislature in 1919 to monitor Multnomah County local government budgets, taxes, and debt
- State agency with five commissioners appointed by the governor
- Limited authority role is primarily advisory and consultative
- Duties:
 - Review and certify member district budgets
 - Hold hearings on member budgets and tax measures
 - Advise districts on Oregon Local Budget Law
 - Prepare annual report documenting district budgets & debt
 - Provide information to the public
 - Investigate claims of budget law violations

ADVOCATE

We hold public hearings to engage with elected officials and advocate for the public interest in spending of taxpayer dollars.

TRAIN

We support and train local jurisdictions to adhere to local and state budget law.

INFORM

We publish an annual report that informs the public on local government budgets, indebtedness, and property taxes.

REVIEW

We analyze, review, and certify budgets to ensure adherence to state budget law.



Membership

Taxing districts primarily located in Multnomah County [43 eligible districts - 36 are members]

Required for districts serving populations of more than 200,000

Optional for districts serving populations of fewer than 200,000

Limited membership option also available



Budget Law Basics



Why Create A Budget?

We create a budget in order to identify appropriations.

Appropriations are the legal authority to spend public money



Legislative Intent of Oregon's Local Budget Law (ORS 294.321)

- To establish standard procedures and process
- To describe programs and policies
- To estimate revenues and expenditures
- To create transparency through community member input and involvement
- To provide control from overspending
- To tell the financial story in standardized format



Pop Quiz: What is a Budget?



- a) A financial plan
- b) A way to prioritize spending
- c) A tool to monitor expenditures
- d) An estimate of income and expenditures for a set period of time
- e) The basis used to establish appropriations (legal spending limits)
- f) All of the above



How to Create A Budget?

All local governments use a standard system as laid out in:

Oregon Revised Statutes 294.305-565
Oregon Administrative Rules 150-294-0300-0550



There's help!

- TSCC Budget Manual for Local Governments in Multnomah County
- DOR Local Budget Law Manual
- TSCC website: <u>www.tsccmultco.com/training</u>



Why follow budget law?

- If your district does not follow local budget law your district cannot levy taxes or expend money. 294.338(1)
- An improperly adopted property tax is voidable. 294.461
- Spending money in excess of the amounts provided by law, or for a different purpose than provided by law is illegal. 294.100(1)
- Any public official (who does so) shall be civilly liable for return of the money... 294.100(2)



To Summarize...

Budget law is built with transparency in mind.

Budget is used to justify your appropriations.

Statutes and admin rules are your guide.



Budget Cycles for Governments





Who Creates A Budget?

The budget is:

- Prepared & Proposed by Staff
 - Modified & Approved by the Budget Committee
 - Modified & Adopted by the Governing Board



Budget Cycle for Local Governments

Preparation

Budget Calendar
Development & Budget
Committee Appointment

Monitor & Change

Changes by Resolution or Supplemental Budget

Budget must be adopted by July 1

Budget Adoption

Governing Body Adopts
Budget & Certifies
Property Taxes

Proposed Budget

Budget Officer Prepares Budget

Approved Budget

Budget Committee Approves Budget

Certification*

TSCC Reviews & Certifies Budget

*For TSCC Member Districts



Timeline



Prior to July 1

Resolutions to adopt budget, make appropriations, levy and categorize property taxes



Budget Prep: Appointing Budget Officer and Creating Budget Calendar

- Budget Officer appointed by governing body or outlined in district charter
- Prepared by the Budget Officer



- Includes:
 - Timing of Proposed, Approved and Adopted Budgets
 - Scheduled meetings and hearings
 - Dates of required notices (Budget Committee and Public Hearing)
 - TSCC and other filing requirements
 - Tax elections, if necessary

Goal is to ensure all steps are completed prior to July 1



Budget Prep: Appointing Budget Committee Members

- The Budget Committee a local government's "fiscal planning advisory committee" (<u>Local Budgeting</u> <u>Manual</u>).
- Members must be qualified voters in the district.
- Districts over 200,000 in Multnomah County can have their governing body serve as budget committee (more on that later).
- ORS 329.711 School district budget committees must fill at least one vacancy with member of educational equity advisory committee.



Budget Terms

Resources and Requirements

Resources: All sources of available funds, including beginning fund balance and transfers in from other funds

Requirements: all expenditures, as well as other obligations that must be planned for but may not actually be spent

Revenues and Expenditures

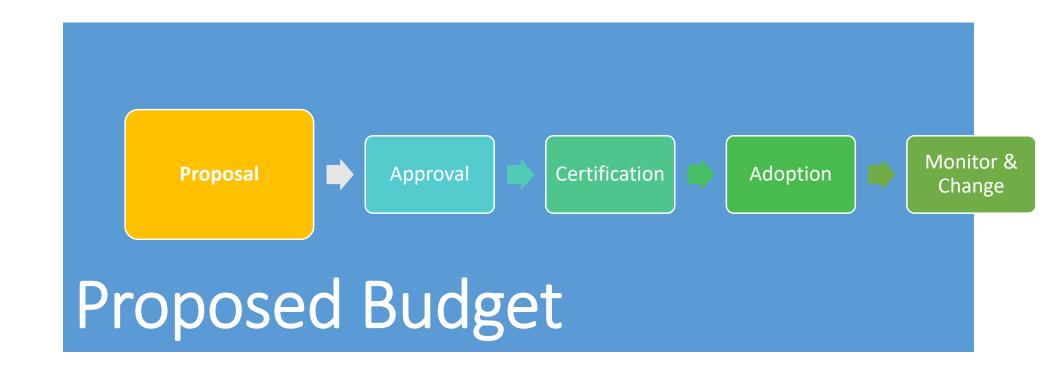
Revenues: sources of new money anticipated to be received in the coming year

Expenditures: money expected to be spent in the coming budget year

Appropriations

Your legal spending authority. The budget is the basis for appropriations. Appropriations establish spending limits.







What is the Proposed Budget?

- Budget Message
- Budget Detail Sheets
- Whatever else the district would like to include



Proposed Budget - Budget Message (294.403)

- 1) Explains budget document
- 2) Describes proposed financial policies for ensuing year
- 3) Describes important features of the budget document
- 4) Notes salient changes in appropriation and revenue items
- 5) Explains major changes in financial policies
- 6) Notes changes in method of accounting and the impact

Prepared at direction of CEO or Presiding Officer

Presented to Budget Committee with budget document @ Committee's first meeting



Proposed Budget – Detail Sheets

2019-20	2020-21	2021-22 Revised	Line Item	2022-23 Budget			
Actual	Actual	Budget		FTE	Proposed	Approved	Adopted
\$	\$\$	\$\$\$	Wages	10	\$\$\$\$		

Matches
numbers from
respective
year's audit or
ACFR

Adopted budget as modified by post-adoption changes

The Proposed Budget as prepared by the Budget Officer for presentation to the Budget Committee



FORM LB-11

This fund is authorized and established by resolution / ordinance number 268 on (date) April 22, 2019 for the following specified purpose:

RESERVE FUND RESOURCES AND REQUIREMENTS

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: 2029-2030

Street Fund Money for Future Storm Drains
Storm Drain Reserves Fund
(Fund)
City of Maywood Park
(Name of Municipal Corporation)

_	(Fund) (Name of Municipal Corporation)								
	Historical Data					Budget for Next Year 2022-2023			
1 1	Act		Adopted Budget	1	DESCRIPTION	Proposed By	Approved By	Adopted By	1 1
1 1	Second Preceding	First Preceding	This Year	1	RESOURCES AND REQUIREMENTS	Budget Officer	Budget Committee	Governing Body	1 1
\sqcup	Year 2019-2020	Year _2020-2021	2021-2022	$oldsymbol{ol}}}}}}}}}}}}}}}}}}$			<u> </u>	<u> </u>	Щ
					RESOURCES	dalalalalalalalalal	a familia familia familia familia familia familia familia familia		
1	152,713	136,112	116,000		Cash on hand* (cash basis) or	101,000	101,000	101,000	1
2					Working Capital (accrual basis)				2
3				3.	Previously levied taxes est to be received				3
4	2,719	833			Interest	0	0	0	4
5	0	20,000	55,000	5.	Transferred IN, from General Fund	20,000	20,000	20,000	5
6	0	0	0	6.	Repayment of Bank Fees	0	0	0	6
7				7					7
8				8					8
9	155,432	156,945	172,000	9.	Total Resources, except taxes to be levied	121,000	121,000	121,000	9
10				10.					10
11				11.	. Taxes collected in year levied				11
12	155,432	156,945	172,000	12	. TOTAL RESOURCES	121,000	121,000	121,000	12
					REQUIREMENTS				
13	0	0		13		0	0	0	13
14	0	0		14		0	0		_
15	19,320	40,761	50,000			40,000	40,000	40,000	
16				16					16
17				17.	. CAPITAL OUTLAY:				17
18	0	0	20,000	18.		20,000	20,000	20,000	18
19				19					19
20				20					20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26		· '		26			1		26
27	19,320	40,761	70,000	27	. TOTAL EXPENDITURES	60,000	60,000	60,000	27
28	136,112	116,184	102,000	28	. RESERVED FOR FUTURE EXPENDITURE	61,000	61,000	61,000	28
29	155,432	156,945	172,000	29	. TOTAL REQUIREMENTS	121,000	121,000	121,000	29

Proposed Budget Steps

- Estimate Resources
- Estimate Requirements
- Balance Budget



Budgeting by Fund

Local governments are required by ORS 294.333 to maintain accounting records by fund, using a cash, modified accrual, or accrual basis of accounting.

A Fund is a fiscal and accounting entity with *self-balancing* accounts to record cash and other financial resources, related liabilities, and balances and changes, all segregated for specific, regulated activities and objectives.



Funds

General Fund

Unrestricted

Revenues

Discretionary Spending All Other Funds

Restricted

Revenues

Restrictions set by:

Law

Contracts

Board Policy



Fund Types

General Fund

Revenue from permanent rate, local option levy for operations, interest and other charges/fees received to cover general operations with no restrictions on how resources are used

Capital Project Fund

Revenue from GO bonds proceeds, local option levy for capital projects or grant monies to finance a capital project.

Special Revenue Fund

Dedicated to local option levy money, specific purpose grants, or other money required to be segregated by statute, charter, or terms.

Debt Service Fund

Revenue comes from special property tax levy (such as Revenue Bonds or GO bonds) to budget for payment of principal and interest on long-term debt.



Fund Types

Internal Services Fund

Revenue from services provided from one department to another department. ex. Fleet Management.

Enterprise Fund

For revenue received in fees or charges used to cover expenses of a business type entity such as running a parking garage or pool.

Trust & Agency Fund

Grants, gifts or transfers from general fund received in a fiduciary capacity to be used for a specified purpose.

Reserve Fund

Transfers from general funds or grants used to accumulate money for financing the cost of a service, project, property or equipment. Resolution required to create fund.



Pop Quiz!

By law, what is required for the Proposed Budget?

- a) Budget Detail Sheets
- b) Budget Message and Budget Detail Sheets
- c) Budget Message, Budget Detail Sheets, and Fund Descriptions



Step 1: Estimating Resources

Resources Classification System

	Category	Line Items			
	Beginning Fund Balance	Beginning Fund Balance			
	Revenues	Current Year Ptaxes			
		Fees, Licenes, Fines, etc			
		Federal State and all other grants, etc			
Posourcos		Debt Proceeds			
Resources		All other sources			
		From Water Fund			
	Transfers In	From IT Fund			
	Transfers in	Sewer fund loan repayment			
		Internal Service Reimbursements			



Beginning Fund Balance

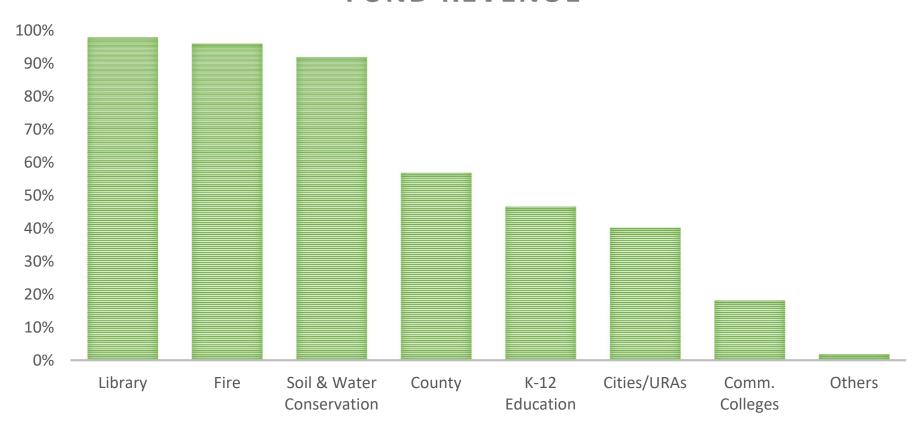
Estimating Beginning Fund Balance (BFB):

Current cash on hand

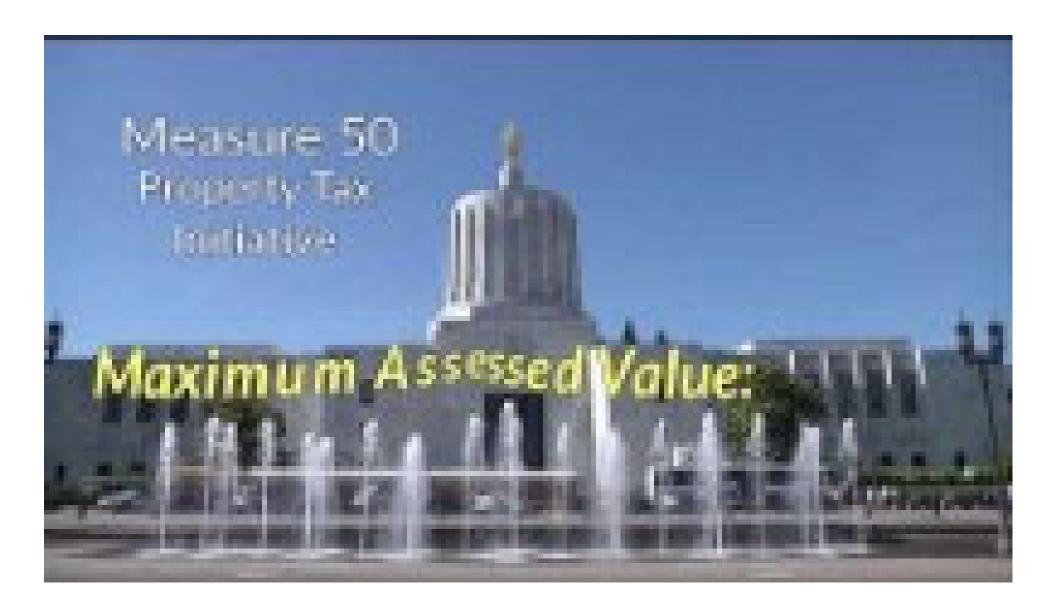
- + Estimated revenue from today to June 30th
- Estimated expenditures from today to June 30th
- Estimated BFB for start of upcoming fiscal year



PROPERTY TAX AS PERCENT OF TOTAL GENERAL FUND REVENUE









Estimating Resources

Estimating Property Taxes

Rate-Based Levy

[Permanent Levies & Local Option Levies, e.g. \$5.2781 & \$1.99]

Assessed Value x Rate = Taxes Levied

Dollar Amount Levy

[GO Bond Levies, e.g. \$136 million]

Tax Levy Types

Permanent Levy
Permanent Tax Rate
Limit

For operations (5 yr limit) or capital projects (10 yr limit)

General Obligation
Bonds
Capital Costs



City of Maywood Park

Numbers in red can be changed

	2019-20	2020-21	2021-22	2022-23		2023-24	PROJECTION
					Rate	Selected Factor	Projection
Permanent Rate Levy					\$ 1.9500		-
Assessed Value	70,691,060	73,136,610	75,387,780	77,758,370			80,091,000
Annual AV Increase		3.46%	3.08%	3.14%		3.00%	
Taxes Extended	137,848	142,617	147,006	151,629			156,177
Taxes Compressed	97	121	123	133			(156)
Comp as a % of Extended	0.07%	0.08%	0.08%	0.09%		0.10%	
	Estimated Taxes to be Imposed:						156,021
	Assumed Collection Rate:					95.5%	
	Estimated Taxes to be Received:					149,000	



Estimating Property Taxes: Rate-Based Tax Levies

\$30,000,000	Last Year's Assessed Value
X 3.0%	Estimated Annual AV Increase
\$30,900,000	Projected AV
\$30,900,000	Projected AV
X .0015985	Permanent Tax Rate (\$1.5985 per \$1,000)
\$49,394	Taxes Extended
\$49,394	Taxes Extended
<u>- 320</u>	Compression
\$49,074	Estimated Taxes to be Imposed
\$49,074	Estimated Taxes to be Imposed
X 94%	Assumed Collection Rate
\$46,130	Estimated FY 22-23 Taxes to Be Received



Estimating Compression & Collection Rate

Taxes Extended
- Compression
Taxes Imposed

Total Compression Loss for Multnomah County Districts in 22-23 = 4%

Taxes Imposed x Collection Rate Taxes Budgeted

Average
Collection Rate
for past 10 years
= 95.5%



Estimating Property Taxes: Dollar Amount Tax Levies

Calculating Taxes to be Levied

Example:

Total Debt Service Requirements \$ 60,000

Less Resources On Hand - \$ 10,000

Equals Taxes Needed = \$ 50,000

Divided by Collection Percent .958

Equals Tax Levy = \$ 53,236

Levy to Approve & Certify: \$ 53,236



	Questions?	Contact TSCC st	aff for assistan	ce, we're he	re to help.		
			'				
800,000		Analytical che	ck: Does your e	stimated BFE	3 match		
2,450,000		the amount you need for debt payments prior to					
2,500,000		receiving property taxes in the upcoming budget					
750,000		year?					
nents							
Date	Principal	Interest	Total				
11/15/2023		600,000	600,000)			
6/1/2024	1,700,000	600,000	2,300,000)			
Total FY 23-24	1,700,000	1,200,000	2,900,000)			
11/15/2024		600,000	600,000)			
		600,000	2,300,000)			
Total FY 24-25	1,700,000	1,200,000	2,900,000)			
er understand at	what date	you will receiv	e the p. tax an	nount neces	sary to co	ver debt p	ayments.
n Column C)							
,							
750,000		Current Cash (On Hand + Est. I	Res - Est. Req	1.		
165,000		Review historical data to inform estimate					
20,000				rm estimate			
935,000		Auto-calculate	ed field				
2,565,000		Amount to bu	dget for proper	ty taxes to b	e received	in the upco	oming FY
	2,450,000 2,500,000 750,000 nents Date 11/15/2023 6/1/2024 11/15/2024 6/1/2025 Total FY 24-25 er understand at n Column C) 750,000 165,000 20,000 935,000	800,000 2,450,000 2,500,000 750,000 nents Date Principal 11/15/2023 6/1/2024 1,700,000 Total FY 23-24 1,700,000 Total FY 24-25 1,700,000 Total FY 24-25 1,700,000 er understand at what date year understand year understand year understand year understand year understand year understand year year year year year year year year	800,000	800,000	800,000	800,000 2,450,000 2,500,000 750,000 Date 11/15/2023 600,000 6/1/2024 1,700,000 11/15/2024 600,000 6/1/2025 1,700,000 6/1/2025 1,700,000 1,200,000	2,450,000 the amount you need for debt payments prior to 2,500,000 receiving property taxes in the upcoming budget year? Total 11/15/2023 600,000 600,000 2,300,000 Total FY 23-24 1,700,000 600,000 2,300,000 11/15/2024 600,000 600,000 2,900,000 11/15/2024 600,000 600,000 2,300,000 Total FY 24-25 1,700,000 600,000 2,300,000 Total FY 24-25 1,700,000 1,200,000 2,900,000 Per understand at what date you will receive the p. tax amount necessary to cover debt per necessary



Estimating Resources

Estimating other Resources

- \$ Beginning Fund Balance
- \$ Revenues
 - Property Taxes (current year)
 - Prior Year Property Taxes
 - ¢ Fees, Licenses, Fines
 - ¢ Enterprise Revenue
 - ¢ Federal / State / Local Revenue
 - **¢** Grants
 - Interest on Investments
 - Bond or other Debt Proceeds
 - Sale of Assets
- \$ Interfund Transfers In
 - \$ Cash
 - \$ Interfund Service Reimbursements

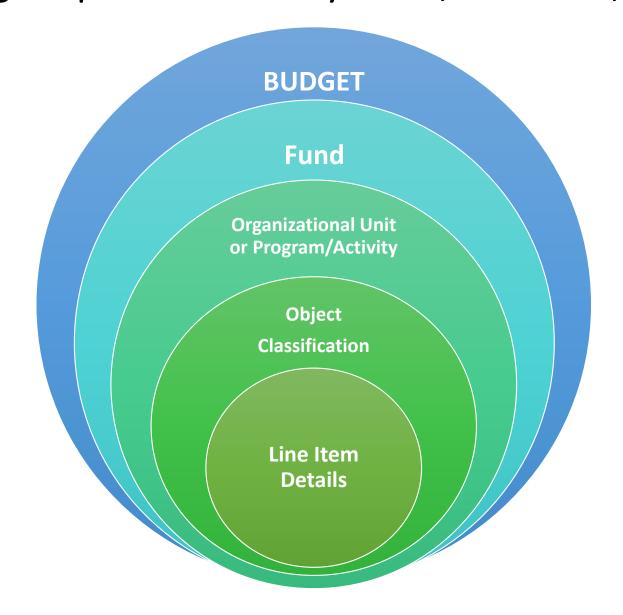
ORS 294.361



Let's take a break



Estimating Requirements – By Fund, Function, & Use





Org Unit Definition – Admin Rule 150-294-0320

An organizational unit is an administrative subdivision of a municipal corporation accountable for specific services, functions, or activities.

Example 1: Cities may allocate expenditures within the general fund to organizational units such as: City Recorder, Police Department, Fire Department, Library, etc.

Example 2: Counties may allocate expenditures within the general fund to organizational units such as: Assessor's Office, Treasurer's Office, Clerk's Office, Health Department, etc.

Example 3: For municipalities other than cities or counties, the governing body may identify organizational units within the general fund by the responsibilities assigned, e.g., General Administration, Plant Maintenance, etc.



Program/Activity Definition – ORS 293.311

A program is a group of related activities aimed at accomplishing a major service or function [ORS 294.311(33)].

Programs could include services and functions such as: fire protection, water, sewers, road maintenance, etc.

Most special districts are formed to provide just one or two major services. The budgets of these districts are considered program budgets unless one or more of the funds are organized by organizational unit.

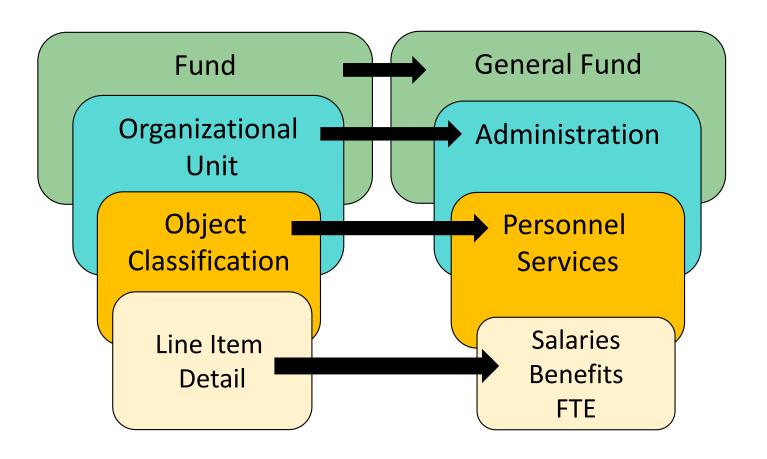
School budgets that are organized according to the classification of accounts in the "Oregon Department of Education's Program Budgeting and Accounting Manual for School Districts" are considered program budgets.



How we organize budget requirements matters because it ties to the appropriation schedule in the budget resolution, your legal spending authority.



Estimating Requirements – Organizational Units





Estimating Requirements – By Fund, Function, & Use

Requirements Classification System

LINE ITEM	OBJECT CLASSIFICATION	CLASSIFICATION TYPE		
Wages				
Benefits				
Pension	Personnel Services			
Insurance				
FICA				
Professional Services		Evpandituras		
Utilities		Expenditures		
Office Supplies				
Travel & Meetings				
Property Maintenance	Materials & Services			
Capital Projects	Capital Outlay			
Debt Service	Debt Service			
Transfers to Other Funds	Transfers Out	Transfers Out		
Contingency	Contingency	Contingency		
Ending Fund Balance	Ending Fund Balance	Ending Fund Balance		

^{*}These object classifications are typically allocated to an organizational unit or program/activity.



Estimating Requirements - Personnel

Personnel Cost budget must include FTE

General Fund – Administration REQUIREMENTS Personnel Services FY 2019-20 FY 2020-21 FY 2021-22 FY 2022-23 FY 2022-23 FY 2022-23 FTE Actual **Proposed** Adopted Actual Revised Approved Full-time 0 2.00 0 100,000 115,000 110,000 112,000 **Salaries Employee** 0 0 2,000 2,100 2,500 3,000 **Benefits** 7,000 7,200 7,300 7,500 0 **FICA** 0 40,000 41,000 41,500 42,000 Pension 0 0 30,000 32,000 34,000 35,000 0 0 Insurance 179,000 192,300 197,300 202,500 Total 0 0 Personnel **Services**



Estimating Personnel Services

Estimates of expenditures for personnel services must include for each organizational unit or activity the total budgeted cost of all officers and employees and the number of related full-time equivalent positions.

Current salaries/salary ranges not required to be in budget document but must be available upon request.

ORS 294.388(5)



Estimating Requirements

Estimating Other Expenditures

- Materials & Services
- Capital Outlay (can be allocated or not allocated)
- Special Payments (not allocated)
- Debt Service (not allocated)



Estimating Materials & Services

State of Oregon

CPI Projection

All Urban Consumers, West Region (All Items)

2023 4.7%

2024 2.8%

2025 2.5%

CPI-W West-Size A https://data.bls.gov/cgi-bin/srgate



Estimating Capital Outlay

Assets with an initial life exceeding one fiscal year, with a minimum value determined by governing board.

Can be Allocated or Unallocated ORS 294.388(3)

Requirements Classification System				
Fund: General Fund				
Admin Svcs	Can Outlay	Office Furn		
Aumin Svcs	Cap Outlay	Vehicles		
Public Safety	Multiple	Multiple		
Cap Outlay Unallocated	Cap Outlay	New City Hall		



Estimating Requirements

Estimating requirements not allocated to organizational unit or program/activity

- Transfers Out
- Contingencies
- Reserved for future expenditures
- Unappropriated fund balance

Object Classification	Expenditure or Requirement?	Allocated or Not Allocated to an Organizational Unit or Activity?		
Personnel Services		Usually Allocated		
Materials & Service				
Capital Outlay	Expenditure			
Special Payments		Not Allocated		
Debt Service				
Transfers (Out)				
Operating Contingency				
Reserves for future expenditure	Requirement			
Unappropriated Ending Fund Balance				



Estimating Special Payments & Debt Service

Special Payments — includes payments of taxes, passthrough fees or charges, grants to other organizations, and other expenditure that do not fit in the other expenditure categories (Object classifications section of Local Budgeting Manual)

Debt service – estimates must include separate amounts for principal and interest for each bond issue in each fund.

ORS 294.388(6)



Estimating Contingencies

"The estimate for a fund may include an estimate for general operating contingencies". 294.388(7)

An operating contingency is for expenditures in "operating funds" that "cannot be foreseen and planned in the budget" and should be based on prior history or risk analysis. OAR 150-294-0430

There is no limit on how much can be budgeted as contingency.

No Contingencies in Debt Service Funds!



Estimating Reserved for Future Expenditures & Unappropriated Ending Fund Balance 150-294-0440

Reserved for Future Expenditures OAR 150-294-0350

- Can be budgeted in a Reserve Fund and is for funds "saved" for use in future fiscal years.
- Not included in appropriations, but can be appropriated using a supplemental budget if need arises.

Unappropriated Ending Fund Balance OAR 150-294-0440

- Set-aside for next year's working capital prior to receipt of revenues sufficient to meet expenditures.
- Cannot be spent during the year except in specified situations.

Pop Quiz

For personnel services, what are you required to include in your budget detail sheets?

- A. Full Time Equivalent amounts (FTE)
- B. A list of individual positions
- C. Salary ranges for each positions



Reminders on Requirements:

- **Personnel Services:** Individual positions do not need to be listed in budget, roll them up to a wages line item. Include Full Time Equivalent (FTE) tally.
- Capital Outlay: The district determines what qualifies as a capital expenditure. Document that decision in financial policies.
- **Debt Service:** Budget must show separate amounts for principal and interest 294.388(6)
- **Contingency:** In operating funds only, no limit on size, but cannot be used for expenditures-must be transferred to an expenditure line item. (OAR 150-294-0430 and ORS 294.463(2))
- Ending Fund Balance: not an appropriation. Use is severely restricted. (OAR 150-294-0440)



And now we balance!

Resources & Requirements

Each fund must be balanced

Resources = Requirements

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Beginning Fund Balance
+ Revenues + Expenditures
+ Transfers In + Other Requirements
= Total Resources = Total Requirements
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REMEMBER

- Resources are budgeted by fund and source
- Requirements are budgeted by fund, function, and use
- Budget numbers are good faith effort estimates
- Negative resource amounts are contrary to statute



Corbett School District 39						
2020 - 2021 Fiscal Year Annual Budget						
Federal Funds	•					
			Revised	Proposed	Approved	Adopted
	Actual	Actual	Budget	Budget	Budget	Budget
	2017-18	2018-19	2019-20	2020-21	2020-21	2020-21
RESOURCES						
Beginning Fund Balance	\$ 7,725	\$ 7,725	\$ 7,726	\$ 7,726	\$ 7,726	\$ 7,726
Revenues						
Federal Sources						
4500 Restricted Pass-Thru State	369,842	408,594	302,284	269,983	269,983	269,983
Total Federal Sources	369,842	408,594	302,284	269,983	269,983	269,983
Total Revenues	369,842	408,594	302,284	269,983	269,983	269,983
TOTAL RESOURCES	\$ 377,567	\$ 416,319	\$ 310,010	\$ 277,709	\$ 277,709	\$ 277,709
REQUIREMENTS						
Expenditures by Function						
Instruction						
1200 Special Programs						
1250 Less Restrictive Programs	231,947	240,932	159,787	167,280	158,835	158,835
1272 Title I	137,895	125,882	122,497	78,710	87,155	87,155
1299 Other Designated Programs		32,328	10,000	10,000	10,000	10,000
Total Instruction	369,842	399,142	292,284	255,990	255,990	255,990
Support Services						
2200 Instructional Staff Support						
2210 Improvement Of Instruction	-	1,999		3,000	3,000	3,000
2240 Instructional Staff Developmnt		7,453	10,000	10,993	10,993	10,993
Total Support Services		9,452	10,000	13,993	13,993	13,993
Total Expenditures	369,842	408,594	302,284	269,983	269,983	269,983
Contingency						
03 Federal Funds		-	7,726	7,726	7,726	7,726
Total Contingency			7,726	7,726	7,726	7,726
SUBTOTAL	369,842	408,594	310,010	277,709	277,709	277,709
Ending Fund Balance						
03 Federal Funds	7,725	7,725				
Total Ending Fund Balance	7,725	7,725	-			
TOTAL REQUIREMENTS	\$ 377,567	\$ 416,319	\$ 310,010	\$ 277,709	\$ 277,709	\$ 277,709

Tips on releasing the Proposed Budget document

- At a minimum, proposed budget consists of the detail budget sheets and budget message (ORS 294.403)
- May be provided to members of the Budget Committee prior to first meeting for informational purposes only, (i.e. no deliberations)
- When given to Budget Committee it becomes a public document and a copy must be filed in the office of the municipal corporation for public inspection
- Means of duplication must be available to public. (District may charge reasonable fee for photo copies).



Forecasting Tips from Metro







Getting the Budget Approved: The Budget Committee

Only in Multnomah County:

Large Districts serving populations over 200,000

Governing Board is Budget Committee

Small Districts serving populations <u>under</u> 200,000

Citizen Budget Committee



Budget Committee Membership For Small District

- Governing body and equal number of appointed electors
- Serve three year terms (four year terms if biennial budget)
 - ❖If unable to find a willing number of appointive members, those who are willing to serve act along with the governing body
- ➤ All have equal authority
- ➤ Serve without compensation





Budget Committee Membership For Large District

- Governing body acts as the budget committee, without appointed citizen members.
- ➤ Governing body may choose, by Resolution, to appoint citizen members to the budget committee.
- ➤ Governing body of a city with a population in excess of 400,000 serves as the budget committee for the city's urban renewal agency.





Notice of Budget Committee Meeting

Important step in the budget process:

- ➤ Seeks public input
- ➤ Informs the public of the budget committee meeting(s)

Notice must contain the following items:

- ➤ Purpose (receive budget message and budget document)
- ➤ Date(s)
- >Time
- Location(s) of the budget committee meeting(s)
- ➤ Where the public can inspect the budget
- ➤ When questions and comments will be received from the public (can be either at first meeting or subsequent meeting).



Notice of Budget Committee Meeting (cont.)

Four Publication Methods

1) Printing twice in newspaper



2) Posting notice on the district's website in a "prominent manner" AND

Printing once in the newspaper 5-30 Days before meeting



- 3) Mail to each address
- 4) Hand delivery to each street address





Notice of Budget Committee Meeting (cont.)

More than one meeting:

- all meeting dates/times/locations can be included in first notice
- or meetings subsequent to first meeting can be noticed the same as regular meetings

<u>First notice</u> must include the <u>meeting date</u> at which public comment and questions will be taken.

PUBLIC PARTICIPATION IS A VERY IMPORTANT PART OF THE BUDGET PROCESS.



Budget Committee Quorum Rules

The budget committee must have a quorum present in order to conduct a meeting or take action.

- Quorum is more than half the number of the membership
- Takes majority of <u>membership</u>, not just majority of those present, voting in the affirmative to approve any motion





Budget Committee Quorum

(Cont.)

Quorum

Budget Committee of 10











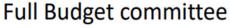












Quorum = 6











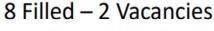












Quorum = 5

























Budget Committee Quorum

Majority

(Cont.)

5 Governing Body







Majority = 6





Vacancies on the governing body are **not removed** from total.

Majority = 6



Elector vacancies are *removed* from total.

Majority = 4



^{*}The previous 2 examples were taken from the Oregon Department Of Revenue's Power Point Presentation Basic Local Budget Law Approving the Budget 2021

Budget Committee Duties

The committee's primary objectives are to:

- Receive the budget document
- Receive the budget message
- Hear and consider public comment

"The Budget Committee may not deliberate on the budget document before the first meeting." ORS 294.426(6)(a)





Budget Committee Duties (cont.)

- Establish resources & expenditures for each fund
- Approve the budget

Here is an example of motion approving the budget:

- I move that the Fall City Budget Committee approves the 2023-24 fiscal year budget in the amount of \$32,000,081 as amended."
- Specify the maximum ad valorem (property tax) rate or dollar amount for each fund that receives property taxes.

Here is an example of motion setting the tax limits:

I move that the Sun City budget committee approve the property tax for fiscal year 2023-24 at the rate of:

\$4.1523 per \$1,000 AV for the permanent rate tax levy

\$0.1800 per \$1,000 AV for the local option levy, and

\$345,698 for the general obligation bond levy





Budget Committee Duties – Budget Approval

- Committee Duties are complete once they approve budget.
- Budget staff will complete the Approved Budget column.

2020-21	2021-22 F	2022-23 Revised Budget	Line Item	2023-24 Budget			
Actual				FTE	Proposed	Approved	Adopted
\$	\$\$	\$\$\$	Personal Services	10	\$\$\$\$	\$\$\$\$	

The budget committee may meet from time to time at its discretion 294.428 (2)





TSCC Review of Approved Budget



Why a TSCC Review?

- 1. TSCC is required by state law to review the Approved Budgets of member jurisdictions.
- 2. TSCC review is a good opportunity for a second look at your budget.
- TSCC maintains all budget information by fund and by district in its database system, which is used to create the state law required Annual Report.



TSCC Review Requirements

Member Districts Send TSCC:

- Approved Budget Checklist (on TSCC website)
- Approved budget document
- Budget Message
- Budget Committee Meeting Notice
- Minutes and resolutions from the Budget Committee Meetings



What Does TSCC Review?

Some of the items we look for:

- Is each fund balanced in all four years?
- Do the actual expenses for prior years balance to the audit?
- □ Are the current and prior year property tax collections reasonable?
- Do the GO debt service payments balance to the debt service schedules?
- ☐ Is the GO debt service fund balance unnecessarily high?



TSCC Approved Budget Review

TSCC reviews the budget materials and provides a written review to Commissioners, along with any objections or recommendations it has with respect to the budget.

Recommendation

A notice that something in the budget/spending process was done incorrectly or could be improved.

Objection

Notice of something incorrect in the budget. Must be fixed prior to adoption.



TSCC Budget Review: Recommendations & Objections

Common Errors Generating Recommendations

Repeated over-expenditures in prior years
Improper meeting notice

Common Errors Generating Objections

An excessive fund balance in GO Bond fund Having a contingency in a non-operating fund



TSCC Certification Letter

Following budget review and discussion with the Commissioners, TSCC will send member districts a letter certifying any recommendations and/or objections the commission has to budget or budget process.

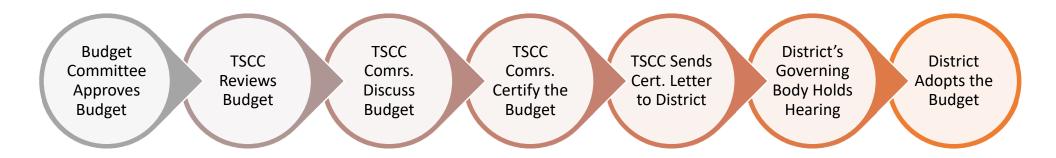
This letter is acknowledged and discussed at the district's Budget Hearing.

Districts should respond to the recommendation or objection as requested in the letter.



TSCC Process for Small Districts

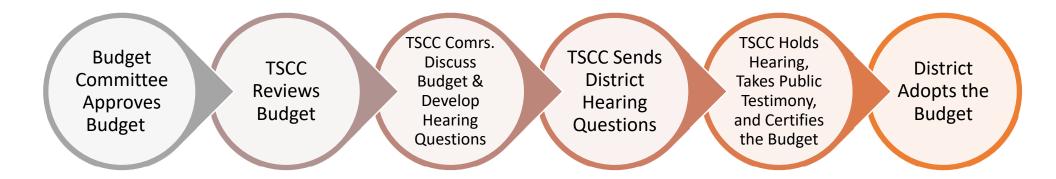
(Serving population of less than 200,000)



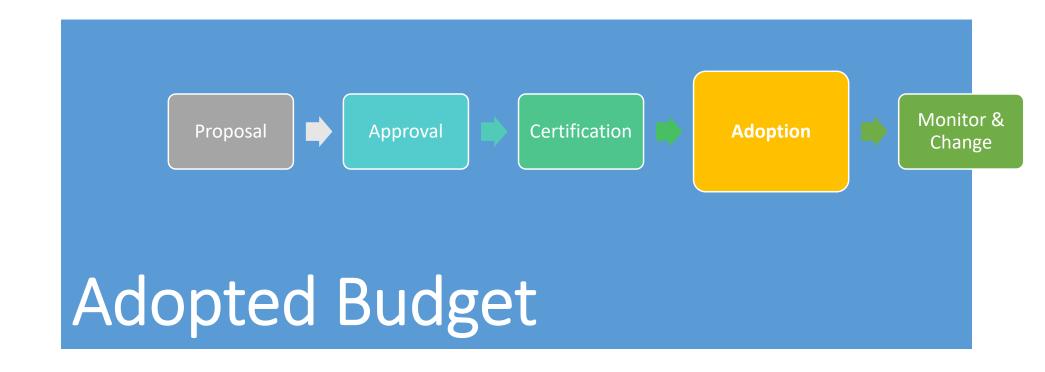


TSCC Process for Large Districts

(Serving population of 200,000 or more)









Getting to Budget Adoption

- 1. Prepare financial summary of Approved Budget ORS 294.438
- 2. Schedule and notice a budget hearing ORS 294.438
- 3. Hold public hearing to accept comments from the public ORS 294.453
- 4. Discuss TSCC review and certification for member districts
 ORS 294.645
- 5. Use a Budget Resolution to adopt the budget ORS 294.456



Small TSCC Districts

Budget Hearing Notice & Process

- District publishes a notice of the hearing as described in ORS 294.438
 - ➤ Use DOR form LB-1, CC-1, UR-1, or ED-1
- District conducts the public hearing
- Any person may appear for or against any item in the approved budget document



Large TSCC Districts

Budget Hearing Notice & Process

- District publishes a notice of the hearing with a streamlined, summary format. ORS 294.448(2)
- TSCC Commissioners conduct the public hearing*
- Any person may appear for or against any item in the approved budget document



^{*}District is responsible for noticing the hearing

The TSCC Budget Hearing

The TSCC Commissioners seek information from the board and staff.

- How are the budget priorities manifested in the budget?
- How do staffing increases or decreases impact the budget?
- Are performance measures being met over time?
- What are the budget impacts of new legislation?
- How is the district gathering and using community feedback?

Hearings are public and must be noticed properly by the district. Community members can testify at these hearings.



Budget Hearing Tips

You Must Have Quorum: To hold a <u>budget hearing</u> the majority of the total governing board membership must be present. To take any action requires the affirmative vote of a majority of the total governing board. Majority is defined as one more than half unless otherwise specified by law. OAR 150-294-0480

Holding Meetings Virtually: HB 2560 took effect January 1, 2022, requiring governing bodies to make meetings accessible remotely when possible. Whether meeting is in-person or remote, you must allow for public participation and state the method or participation in your hearing notice.







Role of Governing Body

Governing body to adopt budget, make appropriations, declare and categorize tax

294.456

- (1)(b) The governing body may amend the budget estimates and property tax amount or rate in the budget document before or after adoption (but before new fiscal year starts)
- (1)(c)(A) The amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10% of the estimated expenditures, whichever is greater.*
- (1)(c)(C) The tax levy rate or amount approved by the budget committee cannot be increased.



^{*}To make a change more than 10%, you must publish a new financial summary and schedule and notice a new budget hearing.

So what does the Resolution do?

Adopts the Budget, Makes Appropriations, and Levy & Categorize Taxes

By adopting the budget, the governing body has:

Created appropriations, the legal authority to spend moneyand the legal limit.

Authorized the County Assessor to levy taxes on its behalf.

Pro Tip: Have someone review your budget resolution before you submit it to the governing body.





CORBETT WATER DISTRICT

June 16, 2020

ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Commissioners of Corbett Water District hereby adopts the budget for fiscal year 2020-2021 in the total amount of \$1,873,853 now on file in the Corbett Water District office located at 36120 E. Historic Columbia River Highway, Corbett, Oregon.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2020 and for the purposes shown below are hereby appropriated:

GENERAL FUND

Water Utility	\$1,639,090		
Debt Service	\$138,458		
Operating Contingency	\$80,000		

Total appropriations \$1,857,548

UNAPPROPRIATED ENDING FUND BALANCE

\$16,305

TOTAL BUDGET

\$1,873,853

IMPOSING THE TAX

BE IT RESOLVED that the Board of Commissioners of the Corbett Water District hereby imposes the taxes provided for in the adopted budget at the rate of \$0.5781 per \$1,000 of assessed value; and that these taxes are hereby imposed and categorized for tax year 2020-2021 upon the assessed value of all taxable property within the district.

CATEGORIZING THE TAX

CHIEGORIEING THE TAX		
Subject to General Government Limitation	Excluded from Limitation	
Permanent Rate Levy \$0.5781 per \$1,000	\$0.0000 per \$1,000	

The above resolution statements were approved and declared adopted on this 16h day of June 2020.

Treasurer, Sara Grigsby

Secretary, Robert Gaughan

Commissioner, Fred Sanchez

Example Budget Resolution



RESOLUTION # 299

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the Council Members of the City of Maywood Park hereby adopt the budget for fiscal year 2022-2023 in the total of \$832,500. This budget is now on file at the City office, in Maywood Park, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2022, and for the purposes shown below are hereby appropriated:

	Appropriations	Unappropriated
General Fund		
Personnel Services	64,600	also also
Materials and Services	82,600	
Public Safety	74,900	1000
Capital Outlay Unallocated	17,000	
Contingencies	5,000	
Transfers Out	152,200	
Total Fund Appropriations	396,300	
Unappropriated ending fund balance		(
State Tax Street Fund	9 9	
Street Transportation and Parking	145,800	
Transfer Out	11,400	
Contingencies	5,000	
Total Fund Appropriations	162,200	
Unappropriated ending fund balance		(
Storm Drain Reserves Fund		
Public Works Sewer System	60,000	
Total Fund Appropriations	60,000	
Reserved for Future Expenditures		61,000
Wastewater System Reserves Fund		
Materials and Services	90,000	
Total Fund Appropriations	90,000	
Failing Street Property Development Fund		
Capital Outlay Maywood Commons	50,000	
Transfer Out	13,000	
Total Fund Appropriations	63,000	

1 of 2

Total Appropriations, All Funds	771,500	
Total Unappropriated, All Funds		61,000
Total Adopted Budget		832,500

RESOLUTION IMPOSING THE TAX

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2022-2023 upon the assessed value of all taxable property within the City, at the rate of \$1.9500 per \$1,000 of assessed value for permanent rate tax.

RESOLUTION CATEGORIZING THE TAX

BE IT RESOLVED that the taxes imposed are hereby categorized for purposes of Article XI section 11b as general government limitation at the permanent rate of \$1.9500 per \$1,000 of assessed value of all taxable property within the City.

The above RESOLUTION statements were approved and declared adopted on this 6th day of June, 2022.

Michelle Montross, Mayor

ATTEST:

Dalene Bloom, Acting City Recorder



Statutory Appropriations for General Government/Special Districts (ORS 294.456(3))

Fund

Organizational Unit Or Program #1 ...\$\$\$

Organizational Unit Or Program #2 ...\$\$\$

(Not allocated to Organizational Unit or Program)

Personnel Services\$\$\$

Materials & Services\$\$\$

Capital Outlay\$\$\$

Debt Service\$\$\$

Special Payments\$\$\$

Interfund Transfers\$\$\$

Operating Contingency\$\$\$

One amount for each organizational unit that is the total of:

- Personnel Services
- + Materials & Services
- + Capital Outlay.

Object classifications not allocated to an Organizational Unit or Program



Schools Appropriate by Oregon Dept. of Education Function (ORS 294.456(4))

For each fund:

1000 Instruction

2000 Support Services

3000 Enterprise & Community Services

4000 Facilities Acquisition and Construction

5000 Other Uses

5100 Debt Service

5200 Transfers

6000 Contingency

Community Colleges can Appropriate One of Three Ways (ORS 294.456(5))

By the same chart of accounts as K-12/ESDs (see above)

By major function as prescribed by Oregon Dept. of Community Colleges and workforce Development

By Program or Object Classification



Levy & Categorize Taxes

For local governments using property taxes:

Resolution Imposing the Tax

Be it Resoved that the following ad valorem property taxes are hereby imposed upon the assessed value of all taxable property in the district for the tax year 2017-18: At the rate of \$3.8249 per \$1,000 of assessed value for the permanent rate tax.

Resolution Categorizing the Tax

Be It Resolved that the taxes imposed are hereby categorized for the purposes of Article XI Section 11b as:

Subject to the Education Limitation

Permanent Rate Tax \$3.8248 /\$1,000

Excluded from Limitation

General Obligation Bond Debt Service\$1,880,763



Post Adoption Staff Actions

By July 15 file with the County Assessor's Office:

- Two copies of budget and tax levy resolutions
- The property tax certification form (Form ED–50)
- Ballot Title for any new voter-approved property taxes

*Send TSCC the above information, along with budget detail sheets, budget message, and other items in Adopted Budget checklist

In Multnomah County there is no County Clerk.
Budget document is filed with TSCC.



The Adopted Budget Document

- Budget Message
- Budget committee meeting notices and screen shots of web site postings
- Budget committee minutes, resolutions, motions
- Budget hearing notice (LB-1) and screen shots
- Budget detail sheets
- Budget Resolution
- Notice of property tax levy form (LB-50)
- Samples of ballots of any new property tax approved by voters, for first time levy

OAR 150-294.0310

Use the budget document to show the world that you prepared your budget correctly.



Let's take a break





Post-Adoption Changes



Life After Budget Adoption

So, what if you need to make changes after adoption?

Local Budget Law provides ways to revise appropriations:

- ORS 294.463 Resolution Transfers
- ORS 294.471 & 473 Supplemental Budget

Note: There is no provision to change ad valorem taxes



Post Adoption Budget Changes

Post Adoption Budget Changes Connecting Increased Financial Impact to Public Participation					
	Appropriation Resolution	Transfer Resolution	Supplemental Budget	Supplemental Budget with Hearing	
Hearing				Required	ıblic >
Notice			Required	Required	Increased Public
Resolution	Required	Required	Required	Required	Incr Partic
	Increased Financial Impact>				

Post Adoption Budget Changes - Options

"...an occurrence or condition not ascertained when preparing original budget..."

ORS 294.471(1) (a)

Appropriation Resolution – ORS 294.338

Examples:

• Unforeseen grant funds for a specific purpose

Transfer Resolution – ORS 294.463

Examples:

- Intra-fund & Inter-fund transfers
- Contingency transfer (up to 15% of total adopted fund appropriations, if more than 15% supplemental budget is required)

Supplemental Budget* – ORS 294.471

Examples:

• Unforeseen grants funds for a general purpose

Supplemental Budget with Hearing – ORS 294.473

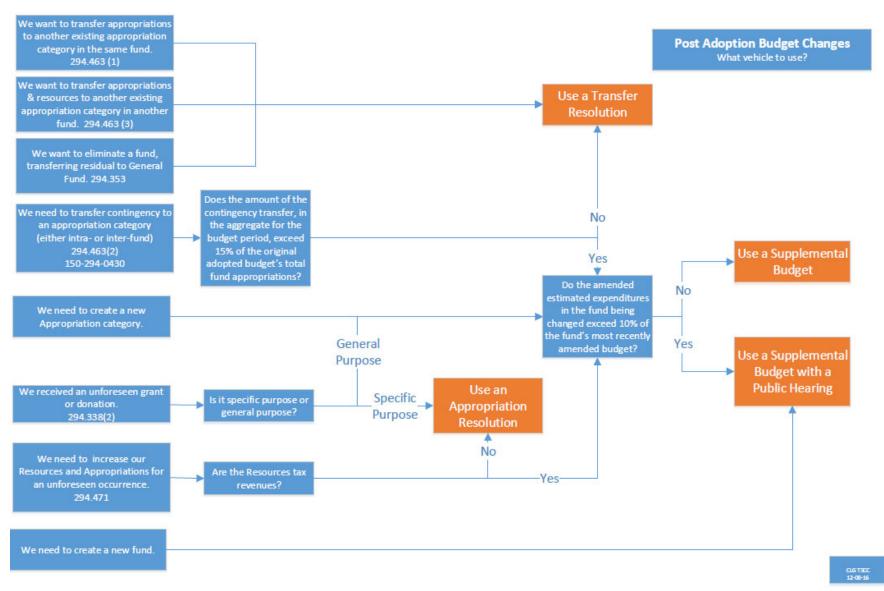
- Creating a new fund
- New resources and requirements that will increasing a fund's expenditures by more than 10%

 $How \ to \ Guide \ from \ DOR: \ https://www.oregon.gov/dor/programs/property/Documents/local-budget-changes-after-adoption.pdf$



^{*}Change in expenditures of 10% or more in a fund triggers public noticing & hearing requirement

Post Adoption Budget Changes





12 Questions



Q1: Our labor contract settled and the COLA is higher than we expected. We set some money aside in contingency, can we just spend directly from that?

You cannot spend directly from contingency – it must be transferred to another appropriation category.

To spend contingency that equals more than 15% of a fund's appropriations, you must do a supplemental budget.

TSCC resource on calculating the 15%: PowerPoint Presentation (tsccmultco.com)



Q2: What's one of the most common budget mistakes?

Overspending Appropriations! Tips to avoid this mistake:

- Copy appropriation resolution and keep it prominently displayed in your work space.
- Run monthly reports to track actual revenues and expenses compared to budget estimates.
- React before expenditures exceed appropriation authority!

Bonus question: What's one of the most dangerous budget mistakes?

Budget Committee Not Properly Setting Property Tax Levies! Tips to avoid this mistake:

- Double, then triple check calculations before presenting to the Budget Committee.
- Insist that the committee approve all rates just as they will appear on LB/ED 50.
- Refer to DOR's Local Budgeting Manual.



Q3: During budget committee deliberation we found an error in the Proposed Budget. What do we do?

Make the correction as part of the budget committee's approval process.

Correct errors in the Approved Budget when the Governing Board adopts the budget.*

*Keep in mind the 10% and property tax levy rules



Q4: Can a district increase its permanent property tax rate if it's too low?

No. A district cannot increase its permanent levy. The district has two options:

- 1. Dissolve the district and ask voter approval for a new district and a new permanent rate.
- 2. Ask the voters to approve a local option levy (which may be subject to compression).



Q5: We made a mistake and left something off the appropriations schedule our governing body adopted – what do we do?

If it is correct in your budget, you can do a resolution that corrects and reappropriates.

This can only be done when something is included in the actual budget document and mistakenly left off of the appropriations schedule, since the budget is the justification for the appropriation resolution.



Q6: Our budget committee would like to see the proposed budget a week in advance of their first meeting. Can I send it to them before the meeting?

Yes, budget law allows for sending individual copies of the budget to the committee anytime in advance of the meeting (ORS 294.426(6)). However, two key things to keep in mind:

- 1) The budget committee may not deliberate on the budget document as a body before the first meeting.
- 2) Per ORS 294.426(7)), immediately after providing the document to the budget committee "the budget officer shall file a copy of the budget document in the office of the governing body", at which point it becomes a public record. In practice, this means most districts publish it online so it is easily available to the public (in addition to having a hard copy available should someone request it). So, you can provide the document early as long as you also post it for the public to view.



Q7: We have a problematic budget committee member and would like to remove them from the committee? Can we do that?

If the budget committee member has violated the committee's code of conduct or regular attendance rules, it is possible to remove them from the committee.



Q8: What happens if the budget is changed more than 10% between approved and adopted and we forget to do a second hearing?

Ideally, this would be caught prior to budget adoption to allow for a second hearing. If you recognize the error after the fact, you can try a common sense approach to demonstrate the change as transparently as possible: in a supplemental budget, reduce the line item to the statutory limit, noting the reason for it in the supporting budget narrative.

You would then have another line noting the "new revenue" to officially recognize the planned receipt and expense.



Q9: We had to cancel an expected project and no longer need the fund – how do we close this fund?

294.346 Reserve fund established without vote

- (2) ... When the governing body determines, by resolution, that it is no longer necessary to maintain such a reserve fund:
- (b) There shall be transferred to the general fund or any other fund of the political subdivision that the governing body determines is appropriate:
- (A) Any unexpended balance in the fund to be abolished that is not required to be held for subsequent expenditure for the purposes for which the fund was established;

See ORS 294.353 for dissolution of other fund types.



Q10: The appropriations in the budget resolution are the legal spending limits. But what about the object classifications in those appropriations? Are personnel services, materials & services, and capital outlay levels in the budget also legal spending limits?

A district's budget resolution is the sole source of legal spending limitations for local budget law purposes.

Generally, appropriations are made at the fund and organizational unit or program/activity level.*

Unless a district appropriated to the object classification level in their budget resolution, budget category and line item amounts are not spending limits.



^{*}This is true for most districts. However, schools and ESDs appropriate by function categories, and community colleges may appropriate by function or by program.

Q11: I want to modify my budget to transfer revenue and expenditures from one fund to another fund. Does this require a supplemental budget?

If you are transferring between funds (without changing the total appropriations across the budget), you can do a transfer approved by resolution (ORS 294.456).

What if it's more than 10% of the fund?

The 10% rule does not apply to interfund transfers (OAR 150-294-0550).

What if I need to create a new appropriation category to transfer the funds?

If the fund you are transferring to has no appropriations per your adopted budget resolution, you will need to do a supplemental budget (OAR 150-294-0540).



Q12: I know I should account for compression when estimating property taxes, but what is it again?

Let's take a property tax history tour...



The Dream of the 90s is Alive in Oregon

Prior to the 1990s:

- Oregon had a pure levy-based property tax system
- Each taxing district calculated its own tax levy based on its budget needs, with most limited to an increase of 6%
- The taxes each district imposed equaled its tax rate multiplied by its real market value (the assessor's assessment of what the property was worth on the market)

Oregon's property tax system was restructured in the 1990s by two statewide ballot measures that dramatically altered the system



What you see is NOT what you get

- Measure 5 & 50 limit property taxes
- Measure 5 (1990)
 - Capped property taxes for all general governments (cities, counties, special districts) and schools at \$10 and \$5 respectively per \$1,000 of real market value (RMV)
 - If the property taxes on an individual property exceed the Measure 5 limits, the taxes are reduced until the limitations are reached, a process known as compression.
- Measure 50 (1997)
 - Set a new assessed value (AV) level
 - Capped annual growth in AV at 3% annually
 - Set permanent rates for all taxing districts



Q&A Time

Let's hear from you! What questions do you have?



Resources

- TSCC Staff, available anytime, anywhere
- TSCC Budget Manual for Local Governments in Multnomah County
- TSCC website: <u>www.tsccmultco.com</u>
- DOR website: <u>http://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx</u>
- DOR Local Budget Law Training sessions
- State of Oregon: Forms Forms and publications library Local Budget
 - Includes <u>DOR Local Budget Law Manual</u>



Contact Us

www.tsccmultco.com

503-988-3054

allegra.willhite@multco.us tunie.betschart@multco.us



REFERENCE SLIDES



Budget Calendar Example

Acme Water District 2017-2018 Budget Calendar	Date	Notes			
Community notification of need for budget members	Jan 1				
Board Appoints budget officer (ORS 294.331)	Jan 17				
Testimony & appointment of budget committee members	Jan 17				
Budget officer prepares budget	. 20 20 20 20 20 20 20 20 20 20 20 20 20				
Send TSCC copy of the budget calendar	Feb 13	(send draft to TSCC for review)			
Board Adopts budget calendar	Feb 21				
Publish notice of budget committee meeting (ORS 294.426) in newspaper	March 3	5-30 days before mtg (include website on post)			
Publish notice of budget committee meeting (ORS 294.426) on website	March 3	For at least 10 days before mtg			
Proposed budget available (ORS 294.426)	March 21	During/After committee meeting			
First Budget Committee Meeting (ORS 294.426)*	April 21				
Second Budget Committee Meeting (ORS 294.426)*	April 4				
Third Budget Committee Meeting: Cpmmittee Approves budget & levy*	April 18				
District files Approved Budget with TSCC	April 19	Deadline is May 15 or 30 days before bud hearing			
Publish budget hearing notice (LB1)	June 2	5 to 30 days before hearing			
Budget hearing held (ORS 294.453)	June 20	Must be 30 days after filing w/TSCC			
Board Adopts Budget, and levies and categorizee taxes (ORS 294.456)					
District files adopted budget & response to certification letter with TSCC	June 21				
District informs assessor's office: Send LB-50 & copy of resolutions (ORS 294.458)	June 21	Deadline July 15th			

^{*} Provide opportunity for public testimony at at least one of the budget committee meetings



Fund Definitions

Funds Defined in OAR 150-294.0420							
	Government Fund Definitions						
Special Revenue	To account for revenues legally restricted to specific purposes and the expenses from these revenues						
Capital Projects	For the acquisition or construction of major capital facilities (other than those financed by Enterprise, Special Assessment, or Trust Funds).						
Debt Service	To accumulate revenues for - and pay - debt service						
Special Assessment	For the financing of public improvements or services deemed to benefit the properties against which the special assessments are levied						
Enterprise	For functions operated like private business or functions for which the governing body wants to periodically determine "profit or loss"						
Internal Service Funds	See ORS 294.343						
General	To account for all financial resources except those required to be accounted for in another fund						
Trust and Agency Funds	To account for assets held by a governmental unit in a trustee capacity or as an agent for other entities						

Funds Defined in GAAFR							
	Used to account	General Fund					
	for activities	Special Revenue Funds					
	primarily	Capital Projects Funds					
Governmental Funds	supported by	Debt Service Funds					
	taxes, grants, and						
	similar revenue	Permanent Funds					
	sources						
	Used to account for	Enterprise					
Proprietary Funds	activities that receive						
	significant support	Internal Service					
	from fees and	internal Service					
	charges						
	Used to account	Agency					
	for resource that a	Investment Trust					
	government holds	Pension and Other					
	as a trustee or	Benefits Trust					
Fiduciary Funds	agent on behalf of						
	an outside party						
	that cannot be	Private Purpose Trust					
	used to support						
	the government's						
	own programs						



Compression Example

Tax (calculated on AV):

General Govt (\$15/\$1,000 AV) = \$3,000Education (\$7/\$1,000 AV) = \$1,400

Limits (calculated on RMV):

General Govt \$10/\$1,000 RMV = \$2,750Education \$5/\$1,000 RMV = \$1,375

Difference = Compression Loss:

General Govt Tax (\$3,000) – Limit (\$2,750) = \$250 Education Tax (\$1,400) – Limit (\$1,375) = \$25

Taxes Extended – Compression = Taxes Imposed

RMV = \$275,000 AV = \$200,000



ORS 294.388 - Specifics on Requirements

294.388 Estimates and reconciliation of expenditures and other requirements; form and contents.

- (1) Each municipal corporation shall prepare estimates of expenditures and other requirements for the ensuing year or budget period. The estimates must be reconciled so that the total amount of expenditures and other requirements in each fund equals the total amount of resources in the fund for the same period.
- (2) Estimates required under subsection (1) of this section must be prepared by organizational unit or by program. For purposes of preparing the estimates, "organizational unit" does not apply to hospitals, school districts or education service districts.
- (3) Estimates prepared by organizational unit pursuant to subsection (2) of this section must be detailed under separate object classifications of personnel services, materials and services and capital outlay. Separate estimates must be made for operating expenses and general capital outlays that cannot reasonably be allocated to an organizational unit and for special payments, debt service and interfund revenue transfers.
- (4) Estimates prepared by program pursuant to subsection (2) of this section must be arranged for each activity of a program. Estimates under each activity must be detailed under separate object classifications of personnel services, materials and services and capital outlay. Separate estimates must be made for operating expenses and general capital outlays that cannot reasonably be allocated to an activity within a program and for special payments, debt service and interfund revenue transfers.
- (5) Estimates of expenditures for personnel services must include for each organizational unit or activity the total budgeted cost of all officers and employees and the number of related full-time equivalent positions. Upon request, a municipal corporation shall make available the current salary of each officer and employee, other than persons who receive an hourly wage or who are hired on a part-time basis. For the purpose of preparing a list of salaries, employees of like classification and salary range may be listed by the number of employees, the highest and lowest salaries and the total amount of all salaries, in each salary range.
- (6) Debt service estimates must include separate amounts for principal and interest for each bond issue in each fund.
- (7) The estimate for a fund may include an estimate for general operating contingencies.



A public meeting of the West Multnomah Soil & Water Conservation District will be held on June 13, 2018, at 6:00 p.m. at 2701 NW Vaughn St., Suite 452, Portland, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018, as approved by the West Multnomah SWCD Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at our office between the hours of 9:00 a.m. and 5:00 p.m., or online at www.wmswcd.org. 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.

Contact: M. Levis Telephone: 503-238-4775 Email: michele@wmswcd.org

FINANCIAL SUMMARY - RESOURCES								
TOTAL OF ALL FUNDS	Actual Amount	Adopted Budget	Approved Budget					
	2016-17	This Year 2017-18	Next Year 2018-19					
Beginning Fund Balance/Net Working Capital	1,006,056	1,013,708	979,681					
Federal, State and All Other Grants, Gifts, Allocations and Donations	294,818	997,057	360,929					
All Other Resources Except Property Taxes	27,544	61,577	58,469					
Property Taxes Estimated to be Received	1,458,879	1,525,171	1,595,000					
Total Resources	2,787,297	3,597,513	2,994,079					

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION									
Personnel Services	954,451	1,109,852	1,187,610						
Materials and Services	780,177	1,421,731	798,777						
Capital Outlay	22,696	196,000	134,500						
Reserves (Special Reserve and General Operating Contingencies)	•	50,000	75,000						
Unappropriated Ending Fund Balance	1,029,973	819,930	798,192						
Total Requirements	2,787,297	3,597,513	2,994,079						

FINANCIAL SUMMARY—REQUIREMENTS AND FULL-TIME EQUIV	ALENT EMPLOYEES (FTE)	BY ORGANIZATIONAL UN	NIT OR PROGRAM
Name of Organizational Unit or Program			
District Programs	1 672.284	2,012,043	1,994,858
FTE	9.8	10.8	10.8
Sturgeon Lake Restoration Program	85,040	765,540	201,029
TIE .	0.0	0.0	0.0
Not Allocated to Organizational Unit or Program	1,029,973	819,930	798,192
FTE	0.0	0.0	0.0
Total Requirements	2,787,297	3,597,513	2,994,079
Total FTE	9.8	10.8	10.8

STATEMENT OF CHANGES IN ACTIVITIES and SOUNCES OF FINANCING

Our resources in FY 2018-19 will decrease \$603,434 primarily due to the winding down of the Sturgeon Lake (SL) restoration project, which had Grants and Contributions of \$765,520 this year and only \$147,625 budgeted for FY 2018-19. The resources in the General Fund will be essentially flat, with a budgeted increase in property taxes fully offset by a decrease in state and local grants and the beginning fund balance. Personnel Services requirements increased due to projected cost-of-living and merit pay adjustments, as well as higher health and retirement benefit costs. The Materials and Services requirements will decrease by \$622,954, and Capital Outlay by \$61,500, primarily due to SL related activity that will drop off due to project completion. Additionally, in the General Fund, certain grant funding existing in FY 2017-18 will not continue into FY 2018-19, resulting in a decrease in associated grant costs within Materials and Services.

PROPERTY TAX LEVIES									
Rate or Amount Imposed Rate or Amount Imposed Rate or Amount Approve									
Permanent Rate Levy (rate limit 7.5 cents per \$1,000)	\$ 0.0750	\$ 0.0750	\$ 0.0750						

STATEMENT OF INDEBTEDNESS								
LONG TERM DEBT Estimated Debt Outstanding Estimated Debt Authorized, But								
	on July 1	Not Incurred on July 1						
Total	None	None						

Use the most recent amended budget for this column. Relabel it "Amended" or "Revised" to differentiate it from the initial adopted budget.

Totals for each summary section must match.

Allocated Requirements by *Org Unit* or *Program*, not by Fund.

"Not Allocated" includes Unappropriated Ending Fund Balance.

General Government Requirements

Line Item Rollups	Budget Resolution	Budget Resolution & Post Adoption Changes	Budget Analysis & Post Adoption Changes		
Personal Services	Allocated				
Materials and Services	Allocated				
Capital Outlay*	(to Org Units)		Expenditures		
Debt Service		Appropriations			
Special Payments					
Transfers out	Not Allocated				
Contingency			Non-Expenditures		
Ending Fund Balance		Un-Appropriated			



Resolution Adopting the Budget

Be it Resolved that the the City Council of the City of Acme hereby adopts the budget for the fiscal year 2017-18 in the total amount of \$677,100. The budget is on file at the City Offices at 2473 Evergreen Road, Acme, Oregon.

Resolution Making Appropriations

Be it Resoved that the amounts shown below are hereby appropritated for the fiscal year beginning on July 1, 2017, for the following purposes:

	Approp	riations	Una	ppropriated	Т	otal Budget
General Fund						
Administrative Services		134,300				
Public Safety		65,300				
Planning		25,400				
Capital Outlay Unallocated		3,500				
Contingency		5,100				
Transfer Out		98,000				
Total Fund Appropriations		331,600				
Unappropriated Ending Fund Balance				110,000		
Total Fund Requirements						441,600
Street Fund						
Streets and Parking		101,800				
Street Trees		1,200				
Contingency		8,300				
Transfer Out		5,500				
Total Fund Appropriations		116,800				
Unappropriated Ending Fund Balance				66,000		
Total Fund Requirements						182,800
Stormwater Fund						
Storm Sewer Maintentance		26,700				
Contingency		3,400				
Total Fund Appropriations		30,100				
Unappropriated Ending Fund Balance				22,600		
Total Fund Requirements						52,700
Totals	\$	178,500	\$	198,600	\$	677,100

Resolution Imposing the Tax

Be it Resoved that the following ad valorem property taxes are hereby imposed upon the assessed value of all taxable property in the district for the tax year 2017-18: At the rate of \$3.8249 per \$1,000 of assessed value for the permanent rate tax.

Resolution Categorizing the Tax

Be It Resolved that the taxes imposed are hereby categorized for the purposes of Article XI Section 11b as: Subject to the General Government Limitation, Permanent Rate Tax \$3.8248 /\$1,000

The above resolution statements were approved and declared adopted on June 22, 2017

Mayor Signature Recorder Signature

Example General Gov Resolution



RESOLUTION NO.

Resolution Adopting the Budget

Be it Resolved that the Board of the Acme School District hereby adopts the budget for the fiscal year 2017-18 in the total amount of \$13,085,048. The budget is on file at the District Offices at 2473 Evergreen Road, Portland Oregon.

Resolution Making Appropriations

Be it Resoved that the amounts shown below are hereby appropritated for the fiscal year beginning on July 1, 2017, for the following purposes:

	Funds											
	General	Spec Rev	Cap	Projects		CET	Del	ot Service	PER	S Bonds	Cat	egory Totals
Instruction	\$5,039,835	\$1,078,237	\$	-	\$	-	\$	-	\$	-	\$	6,118,072
Support Services	3,224,897	232,401		-		-		-		-		3,457,298
Enterprise & Comm Svces	38,432	11,000		-		-		-		-		49,432
Facilities Acq & Const	-	-		152,285		115,000		-		-		267,285
Transfers	34,905	-		-		-		-		-		34,905
Debt Service	-	-		-		-	1	,817,963		376,053		2,194,016
Contingency	346,832	147,500		-		-		-		-		494,332
Ending Fund Balance	400,632	-		60,124		8,952		-		-		469,708
Fund Totals	\$9,085,533	\$1,469,138	\$	212,409	\$	123,952	\$1	,817,963	\$	376,053	\$	13,085,048
								Total Ap		oriations opriated		12,615,340 469,708
								Total Ado	pte	d Budget	\$	13,085,048

Resolution Imposing the Tax

Be it Resoved that the following ad valorem property taxes are hereby imposed upon the assessed value of all taxable property in the district for the tax year 2017-18: At the rate of \$3.8249 per \$1,000 of assessed value for the permanent rate tax, and in the amount of \$1,880,763 for debt service on general onligation bonds.

Resolution Categorizing the Tax

Be It Resolved that the taxes imposed are hereby categorized for the purposes of Article XI Section 11b as:

Subject to the Education Limitation

Permanent Rate Tax \$3.8248 /\$1,000

Excluded from Limitation

General Obligation Bond Debt Service\$1,880,763

The above resolution statements were approved and declared adopted on June 22, 2017

Board Chair Signature Recorder Signature

Example School Resolution



The Holy Grail of Budget Law Is the Appropriation

- Districts DO things
- Doing things costs money
- Districts can't spend public money without legal authority
- District gives itself legal authority to spend money through appropriations
- Appropriation is legal permission to spend
- Appropriation is also legal limit on spending
- After budget adoption, all that matters is appropriations

Source – DOR 2018 TSCC Appropriations Presentation

