



## BUDGET COMMITTEE WORK SESSION

Zoom Video Conference  
<https://ci.manzanita.or.us>

## AGENDA

January 23, 2024  
10:00 am Pacific Time

**Video Meeting:** Council will hold this meeting through video conference.  
The public may watch live on the [City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

or by joining the Zoom meeting:

<https://us02web.zoom.us/j/84491130442?pwd=dkVtTkRFdk5ENWYvWlVuWU9NRHVDZz09>

Meeting ID: 844 9113 0442

Passcode: 061205

Call in number: +1 253 215 8782

If you would like to submit written testimony to the City Council on items included on the agenda, please send your comments to [cityhall@ci.manzanita.us.org](mailto:cityhall@ci.manzanita.us.org) and indicate the agenda item and date of meeting.

**Note:** Agenda item times are estimates and are subject to change.

1. **CALL TO ORDER** (10:00 a.m.)  
Dave Dillion, Budget Committee Chair
2. **APPROVAL OF 2024 BUDGET CALENDAR**  
Nina Crist, Accounting Manager
3. **FY 2023/24 SUPPLEMENTAL BUDGET**  
Leila Aman, City Manager
4. **REVIEW OF FY 2022/23 REVENUE & GENERAL FUND EXPENDITURES**  
Nina Crist, Accounting Manager
5. **FY 2023/24 SECOND QUARTER FINANCIAL REVIEW**  
Nina Crist, Accounting Manager
6. **REVIEW OF 2024/25 BUDGET CHANGES**  
Leila Aman, City Manager
7. **FY 2024/2025 TRANSIENT LODGING TAX REVENUE DISCUSSION**  
Leila Aman, City Manager
8. **BUDGET PRE MEETING OVERVIEW**

Leila Aman, City Manager

**9. ADJOURNMENT (12:00 PM)**

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice**

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us) or phone at 503-368-5343. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's youtube channel](#).



# CITY OF MANZANITA

P.O. Box 129, Manzanita, OR 97130-0129  
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## City of Manzanita 2024 Budget Committee Calendar

Tues., Jan 23	First Quarterly Budget Committee Meeting (10:00 a.m.)
Wed., Feb 7	Regular City Council Meeting – Public hearing and adoption of Supplemental Budget (6:00 p.m.)
Tues., Mar 19	FY 24/25 Budget Premeeting (10:00 a.m.)
Tues, Apr 30	First Budget Committee Meeting to receive proposed Budget (2:00 p.m.)
Weds, May 1	Second Budget Committee Meeting (2:00 p.m.)
Wed., May 7	Third Budget Committee meeting and public hearing (including proposed uses to State Revenue Sharing) (6:00 p.m.)
Wed, May 29	Special City Council Meeting – Public hearing and adoption of Budget (6:00 p.m.)
Tues., Jul 23	Second Quarterly Budget Committee Meeting (10:00 a.m.)
Tues., Oct 22	Third Quarterly Budget Committee Meeting (10:00 a.m.)



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## Fiscal Year 2023/24 Second Quarter Budget Report

Department	Category	FY 23/24 Adopted Budget	FY 23/24 Actuals	Over / (Under)	Percent
<b>General Fund</b>	<b>Revenue</b>				
	Property Taxes	263,500	242,203	(21,297)	91.9%
	Revenue from Collections	1,625,900	1,285,272	(340,628)	79.0%
	Revenue from Other Agencies	91,770	66,530	(25,240)	72.5%
	Uses of Money & Property	520,000	745,383	225,383	143.3%
	Charges for Services	20,000	68,716	48,716	343.6%
	Other Revenue	0	4,539	4,539	
	<b>Total Revenue</b>	<b>2,521,170</b>	<b>2,412,643</b>		<b>95.7%</b>
<b>Administration</b>	<b>Expenditures</b>				
	Personnel Services	654,110	289,297	(364,813)	44.2%
	Materials & Services	604,300	307,535	(296,765)	50.9%
	Capital Outlay	7,000	5,803	(1,197)	82.9%
	<b>Total Expenditures</b>	<b>1,265,410</b>	<b>602,635</b>		<b>47.6%</b>
<b>Police</b>	<b>Expenditures</b>				
	Personnel Services	702,053	321,536	(380,517)	45.8%
	Materials & Services	96,800	39,364	(57,436)	40.7%
	<b>Total Expenditures</b>	<b>798,853</b>	<b>360,900</b>		<b>45.2%</b>
<b>Municipal Court</b>	<b>Expenditures</b>				
	Personnel Services	36,556	17,101	(19,455)	46.8%
	Materials & Services	9,400	3,132	(6,268)	33.3%



Department	Category	FY 23/24 Adopted Budget	FY 23/24 Actuals	Over / (Under)	Percent
<b>Municipal Court</b>					
	<b>Total Expenditures</b>	<b>45,956</b>	<b>20,233</b>		<b>44.0%</b>
<b>Parks</b>	<b>Expenditures</b>				
	Personnel Services	11,609	5,537	(6,072)	47.7%
	Materials & Services	20,500	6,089	(14,411)	29.7%
	<b>Total Expenditures</b>	<b>32,109</b>	<b>11,626</b>		<b>36.2%</b>
<b>Non Departmental</b>	<b>Expenditures</b>				
	Materials & Services	175,000	7,100		
	<b>Total Expenditures</b>	<b>175,000</b>	<b>7,100</b>	<b>0</b>	<b>4.1%</b>
<b>Water Operating</b>	<b>Revenue</b>				
	Charges for Services	1,108,500	812,623	(295,877)	73.3%
	Use of Money & Property	7,000	32,071	25,071	458.2%
	Other Revenue	0	5,917	5,917	
	<b>Total Revenue</b>	<b>1,115,500</b>	<b>850,611</b>		<b>76.3%</b>
<b>Water Operating</b>	<b>Expenditures</b>				
	Personnel Services	550,607	234,641	(315,966)	42.6%
	Materials & Services	329,200	125,111	(204,089)	38.0%
	Capital Outlay	3,500	430	(3,070)	12.3%
	Debt Service	180,000	127,728	(52,272)	71.0%
	<b>Total Expenditures</b>	<b>1,063,307</b>	<b>487,910</b>		<b>45.9%</b>
<b>Well Field &amp; Transmission Lines</b>	<b>Expenditures</b>				
	Materials & Services	111,088	30,960	(80,128)	27.9%
	<b>Total Expenditures</b>	<b>111,088</b>	<b>30,960</b>		<b>27.9%</b>

Department	Category	FY 23/24 Adopted Budget	FY 23/24 Actuals	Over / (Under)	Percent
<b>Water SDC</b>	<b>Revenue</b>				
	Charges for Services	69,000	55,200	(13,800)	80.0%
	Use of Money & Property	6,000	47,830	41,830	797.2%
	<b>Total Revenue</b>	<b>75,000</b>	<b>103,030</b>		<b>137.4%</b>
<b>Water SDC</b>	<b>Expenditures</b>				
	Materials & Services	29,000	0	(29,000)	0.0%
	Capital Outlay	342,000	228,881	(113,119)	66.9%
	<b>Total Expenditures</b>	<b>371,000</b>	<b>228,881</b>		<b>61.7%</b>
<b>Building</b>	<b>Revenue</b>				
	Revenue from Collections	225,000	86,307	(138,693)	38.4%
	<b>Total Revenue</b>	<b>225,000</b>	<b>86,307</b>		<b>38.4%</b>
<b>Building</b>	<b>Expenditures</b>				
	Personnel Services	161,318	60,964	(100,354)	37.8%
	Materials & Services	107,800	15,681	(92,119)	14.5%
	Capital Outlay	7,500	0	(7,500)	0.0%
	<b>Total Expenditures</b>	<b>276,618</b>	<b>76,645</b>		<b>27.7%</b>
<b>Roads</b>	<b>Revenue</b>				
	Revenue from Collections	72,000	42,859	(29,141)	59.5%
	Revenue from Other Agencies	40,000	24,511	(15,489)	61.3%
	Use of Money & Property	2,000	10,532	8,532	526.6%
	Other Revenue	0	14,543	14,543	
	<b>Total Revenue</b>	<b>114,000</b>	<b>92,445</b>		<b>81.1%</b>
<b>Roads</b>	<b>Expenditures</b>				

Department	Category	FY 23/24 Adopted Budget	FY 23/24 Actuals	Over / (Under)	Percent
<b>Roads</b>	<b>Expenditures</b>				
	Personnel Services	96,558	43,113	(53,445)	44.6%
	Materials & Services	74,900	21,828	(53,072)	29.1%
	Capital Outlay	530,000	387,720	(142,280)	73.2%
	<b>Total Expenditures</b>	<b>701,458</b>	<b>452,661</b>		<b>64.5%</b>
<b>Tourism Promotion</b>	<b>Revenue</b>				
	Revenue from Collections	220,000	186,883	(33,117)	84.9%
	Use of Money & Property	750	3,002	2,252	400.3%
	<b>Total Revenue</b>	<b>220,750</b>	<b>189,885</b>		<b>86.0%</b>
<b>Tourism Promotion</b>	<b>Expenditures</b>				
	Personnel Services	138,545	48,008	(90,537)	34.7%
	Materials & Services	110,000	29,498	(80,502)	26.8%
	Capital Outlay	5,000	1,842	(3,158)	36.8%
	Debt Service	50,900	25,434	(25,466)	50.0%
	<b>Total Expenditures</b>	<b>304,445</b>	<b>104,782</b>		<b>34.4%</b>
<b>Park Facilities</b>	<b>Revenue</b>				
	Charges for Services	300	300	0	100.0%
	Uses of Money & Property	50	378	328	756.0%
	<b>Total Revenue</b>	<b>350</b>	<b>678</b>		<b>193.7%</b>
<b>Park Facilities</b>	<b>Expenditures</b>				
	Materials & Services	0	0	0	
	<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>0.0%</b>
<b>Storm Drain Facilities</b>	<b>Revenue</b>				

Department	Category	FY 23/24 Adopted Budget	FY 23/24 Actuals	Over / (Under)	Percent
<b>Storm Drain Facilities</b>	<b>Revenue</b>				
	Charges for Services	16,690	5,619	(11,071)	33.7%
	Uses of Money & Property	100	1,314	1,214	1314.0%
	<b>Total Revenue</b>	<b>16,790</b>	<b>6,933</b>		<b>41.3%</b>
<b>Storm Drain Facilities</b>	<b>Expenditures</b>				
	Materials & Services	25,000	5,326	(19,674)	21.3%
	<b>Total Expenditures</b>	<b>25,000</b>	<b>5,326</b>		<b>21.3%</b>
<b>Public Works Equip. Reserve</b>	<b>Revenue</b>				
	Uses of Money & Property	200	1,285	1,085	642.5%
	<b>Total Revenue</b>	<b>200</b>	<b>1,285</b>		<b>642.5%</b>
<b>Public Works Equip Reserve</b>	<b>Expenditures</b>				
	Capital Outlay	20,000			
	<b>Total Expenditures</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Public Safety Reserve</b>	<b>Revenue</b>				
	Uses of Money & Property	0	1,975	1,975	
	<b>Total Revenue</b>	<b>0</b>	<b>1,975</b>		
<b>Public Safety Reserve</b>	<b>Expenditures</b>				
	Capital Outlay	125,000	2,239	(122,761)	1.8%
	<b>Total Expenditures</b>	<b>125,000</b>	<b>2,239</b>		<b>1.8%</b>
<b>Building Reserve Fund</b>	<b>Revenue</b>				
	Surplus Property/Equipment Sales	0	0		
	<b>Total Revenue</b>	<b>0</b>	<b>0</b>		

Department	Category	FY 23/24 Adopted Budget	FY 23/24 Actuals	Over / (Under)	Percent
<b>Building Reserve Fund</b>	<b>Expenditures</b>				
	Capital Outlay	0	0		
	<b>Total Expenditures</b>	<b>0</b>	<b>0</b>		
<b>City Hall Expansion</b>	<b>Revenue</b>				
	Uses of Money & Property	250	1,164	914	465.6%
	Other Revenue	60,000	0	(60,000)	0.0%
	<b>Total Revenue</b>	<b>60,250</b>	<b>1,164</b>		<b>1.9%</b>
<b>City Hall Expansion</b>	<b>Expenditures</b>				
	Materials & Services	500,000	174,142	(325,858)	34.8%
	Capital Outlay	324,850	0	(324,850)	0.0%
	Debt Service	155,400	77,666	(77,734)	50.0%
	<b>Total Expenditures</b>	<b>980,250</b>	<b>251,808</b>	<b>728,442</b>	<b>25.7%</b>



## MEMORANDUM

**To:** City of Manzanita Budget Committee

**From:** Bonnie Dennis, Grand Peaks Consulting

Leila Aman, City Manager

**RE:** Summary of proposed fund restructuring for the FY 2024-2025 proposed budget

**Date:** January 18, 2024

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In accordance with Oregon Local Budget Law and Generally Accepted Accounting Principles (GAAP), the city is proposing adjustments to streamline fund management in the upcoming budget. These changes, aligned with best practices, aim to enhance transparency for the community, provide efficiency for the city, facilitate audit preparation, and reflect a strategic financial structure. Additionally, the proposed adjustments signify a clean-up initiative, ensuring that financial processes are refined and optimized.

At present, the city manages sixteen (16) funds alongside two agency funds. An agency fund, classified as a fiduciary fund, is utilized for assets held in trust for others or in a custodial capacity. The City oversees a Municipal Court Trust Fund and a Performance Guarantee Deposit Fund, both of which are exempt from Oregon Budget Law.

Typically, funds are established based on the designated use of revenue and may or may not be legally required. For instance, the Water Operations Fund must be segregated as it falls under the category of an Enterprise Fund. This means that the revenue received is earmarked for the specific purpose of maintaining the city's water. Occasionally, funds are created without a clear understanding of governmental accounting and budget laws, leading to unnecessary complexity in the city's financial structure. It is essential, therefore, to carefully assess the need for a new fund, ensuring it serves a specific and vital purpose for the city's long-term sustainability rather than being merely a tracking mechanism.

The proposed adjustments outlined will impact both the city-wide budget and individual funds. These modifications to the funds involve renaming, adding one fund, and discontinuing eight. As a result, the total number of funds will be nine (excluding the two agency funds).

While the budget is still in the development stage, it is possible that further changes may occur. However, the items listed below currently represent the most significant modifications.



## FUND NAME CHANGES

The adjustments made to the fund names are designed to simplify the cities overall financial structure. It's crucial to emphasize that these changes have no impact on the core structure or operations of the funds; instead, they concentrate on streamlining administrative aspects to improve overall efficiency and coherence.

Current Name	Proposed Name	Reason
Tourism Promotion & Facilities Fund	Tourism Fund	This fund encompasses the entire Tourism program. As part of an administrative cleanup, the name has been streamlined for simplicity.
Road Fun	Transportation Fund	Adjusting the name of this fund is in accordance with the nomenclature employed by comparable funds in the region, contributing to enhanced consistency.

## ADDED FUNDS

The city presently collects System Development Charges (SDC) for Water, Stormwater, and Parks, managing each resource and expenditure distinctly within its respective fund. However, adhering to best practices, the proposed budget entails establishing a consolidated fund that encompasses all three SDC charges, resulting in the closure of the individual funds. While internally maintaining individual funds remains an option, the budget will transparently consolidate and delineate the specific revenue received and charges for each SDC. The integration of potential future additions of another type of SDC into this unified fund is foreseen. This administrative streamlining markedly improves the overall efficiency of the city's financial structure. Below is an example of the presentation of the SDC Fund for the proposed budget:



<b>RESOURCES</b>
<b>BEGINNING FUND BALANCE</b>
System Development Charges
Water
Stormwater
Parks
Interest
Miscellaneous
Transfers from Other Funds
<b>TOTAL RESOURCES</b>

## CLOSED FUNDS

The following funds have been researched in detail and have been concluded that the balances can be transferred out of individual funds and into the appropriate funds needed to maintain the activity, program and/or balances. Each of the following includes the specific justifications and where the proposed transfers will be sent to.

**CLOSED:** **Timber Management Fund**  
**TRANSFER TO:** General Fund  
**DEPARTMENT:** Parks  
**ESTIMATED \$ TRANSFER:** \$28,444

Originally created to monitor the sale of timber on city property, this fund experiences limited activity, and city records do not specify that the permissible use of funds from timber sales, aside from general government purposes nor that it needs to be in a separate fund. Consequently, the funds are being transferred to the fund balance within the General Fund. It's worth noting that there is a designated line item in the parks department for utilizing these funds specifically for park projects and maintenance.

**CLOSED:** **Housing Revolving Loan**  
**TRANSFER TO:** General Fund  
**DEPARTMENT:** Nondepartmental  
**ESTIMATED \$ TRANSFER:** \$110,658

A reserve will be established exclusively within the General Fund for the sole purpose of utilizing CDBG grants. This federal funding has seen minimal activity, remaining dormant since the 1990s.





IGA documents stipulate that the funds must be directed towards housing applicants in Manzanita, Nehalem, Rockaway Beach, and Wheeler. There is no indication of the necessity to create a dedicated fund or accrue interest, but it does mandate a reserve within the General Fund. The decision to close this fund aims to streamline staff processes while exploring optimal ways to allocate these resources for housing purposes. The balance and the dedicated reserve of \$30,000 will be transferred to the General Fund.

**CLOSED:** **Public Safety Vehicle Reserves Fund**  
**TRANSFER TO:** General Fund  
**DEPARTMENT:** Public Safety  
**ESTIMATED \$ TRANSFER:** \$161,468

This supplementary fund will be closed, and a reserve will be instituted within the General Fund and managed by the Public Safety department. These dollars will continue to be designated exclusively for public safety equipment.

**CLOSED:** **Building Reserve Fund**  
**TRANSFER TO:** Building Fund  
**ESTIMATED \$ TRANSFER:** \$4,578

The supplemental fund will be closed, and a reserve will be instituted within the Building Fund. This represents a more efficient strategy for maintaining a reserve earmarked for future capital utilization.

**CLOSED:** **Trust Fund**  
**TRANSFER TO:** Tourism Fund  
**ESTIMATED \$ TRANSFER:** \$0.00

As already adopted, the initial closing of this fund was scheduled to close during the FY2024 budget cycle, however, the 2023 audit closed this fund via an adjusting journal entry in FY2023. Consequently, the adjustment results in the fund's closure in FY2023, and this budget outlines the necessary transfers and adjustments in accordance with Oregon Local Budget Law to officially conclude the fund.

**CLOSED:** **SDC Water, Stormwater and Parks Fund (3 individual funds)**  
**TRANSFER TO:** System Development Charges Fund

As mentioned previously, although these funds are individually closed, they retain internal utility for tracking purposes. However, for both budgetary considerations and the audit process, these three funds are collectively closed and consolidated within a newly added fund.



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In conclusion, the outlined budgetary adjustments aim to establish a strategic financial framework, emphasizing the city's dedication to efficient governance and the optimal management of resources for the community's well-being.

## **Pre-meeting Topics for Budget Committee Discussions**

We are sometimes asked whether the budget committee can be called together for “preliminary” discussions prior to their first “official” meeting under ORS 294.426 at which the budget message is delivered and for which notice must be published.

Following is a list of the types or topics of discussion that can be conducted prior to that first official meeting:

- Training on the budget committee process, calendar, expectations for committee members, etc.
- Committee members’ preferences for ground rules, rules of order, conduct of meetings, voting / reaching consensus, fact finding process, etc.
- Orientation on the organization and its various departments, programs, staffing, etc., and on the activities or services provided by each.
- Orientation on the budget document, the fund structure and the types of activities or programs and expenditures made from each fund in the budget.
- General discussion of vision and goals, spending priorities, or philosophy on how to allocate scarce resources or make trade-off decisions as to which programs get funded and which don’t.
- General economic projections by the finance officer of possible changes in resources or requirements expected next year.
- Any and all discussion of the current year budget or prior year budgets, including what, in general, might be done differently next year.

What cannot be discussed before the formally “noticed” meeting?

ORS 294.426(6): “The budget committee may not deliberate on the budget document as a body before the first meeting.” So, we recommend that you do not talk about:

- Specific estimates or appropriation amounts associated with any fund or line item, resource or requirement.
- The question of whether to fund specific programs or expenditures.
- The question of whether to impose any tax levy, or the amount of any levy.



# Basic Local Budget Law

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Proposing the Budget

2022

Finance, Taxation & Exemptions



# Housekeeping

- Mute Audio/Video
- Update Display Name to your First & Last Name (Joe Smith)
- Send Questions to “Questions”
- CE Credits – Certificate will come via email





# Phase 1

## Budget Officer Proposes the Budget

# Finance, Taxation & Exemptions Team



Trains Local Officials on Local Budget Law



Answers Questions about Local Budget Law and Property Taxes



Provides Budget Manuals and Forms



# Finance, Taxation & Exemptions Team



Reviews Tax Certifications



Reviews District Budgets



Advises County Assessors & Tax Collectors on Property Tax Law



# Local Budget Law Changes for 2022

## Covid-19 and Chapter 12 Oregon Laws 2020 First Special Session (HB 4212)

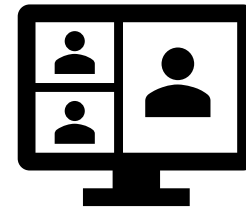
- Meetings may be held virtually
  - No requirement of physical space for public
  - Record meetings if technology available
- Social distancing for in person meetings
- Allows for alternative methods of testimony



# Local Budget Law Changes for 2022

Covid-19 and Chapter 12 Oregon Laws 2020 First Special Session (HB 4212)

- Quorum excludes absences due to COVID
- Allows for emergency expenditures
- Expires 30 days after end of emergency



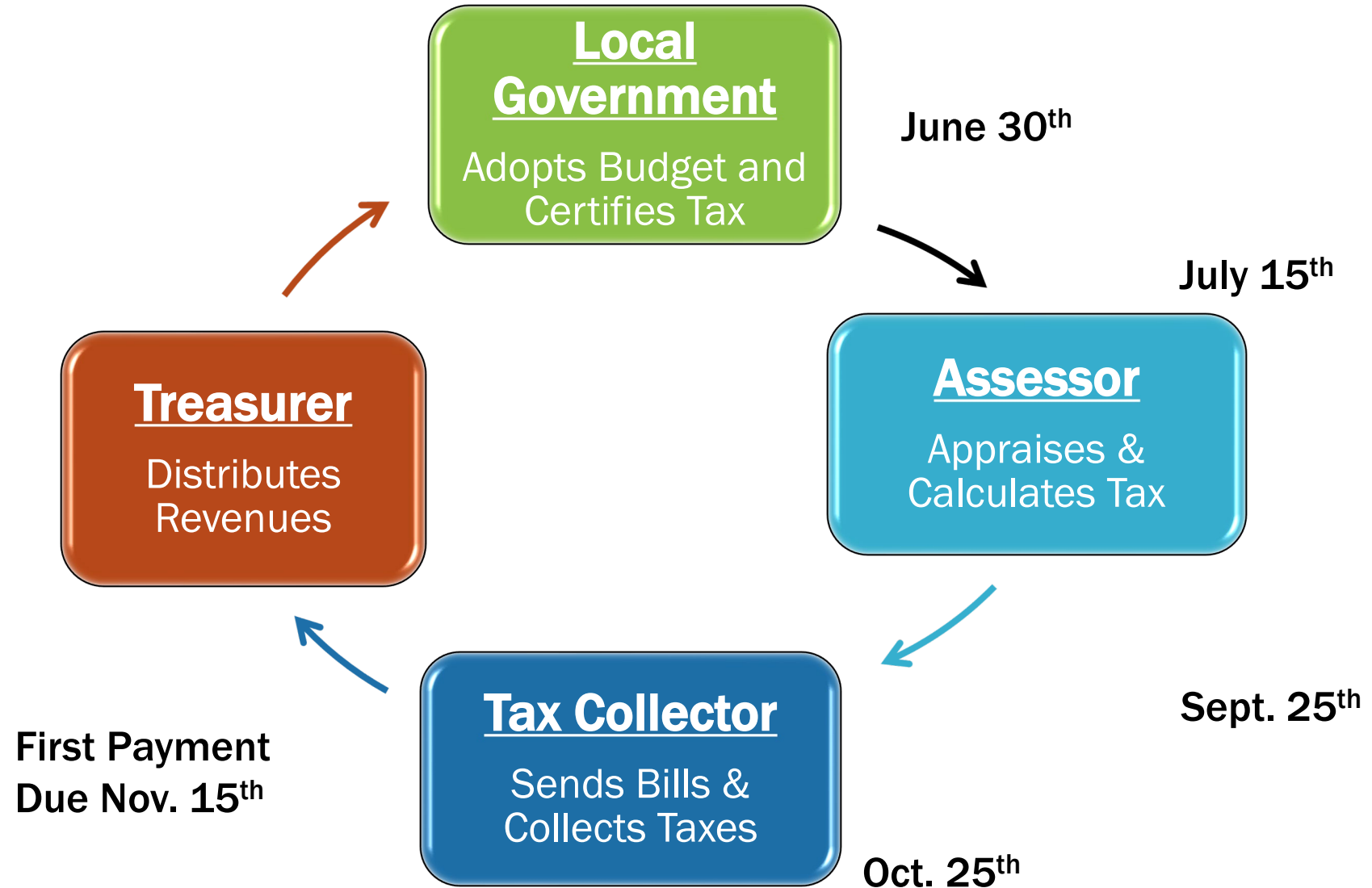
# Local Budget Law Changes for 2022

Chapter 493 Oregon Laws 2021  
(SB 732)

- Educational Equity Advisory Committee for school districts
- School District Budget Committees must include at least one member



# Property Tax Cycle



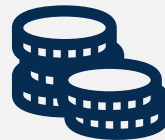
# Purpose of Local Budget Law



Establish standard procedures



Outline programs & fiscal policies



Require estimates of resources and expenditures

# Purpose of Local Budget Law



Encourage citizen involvement



Control expenditure of public funds



ORS 294.321



# Why Follow Local Budget Law?

- A district that doesn't follow local budget law may not lawfully:
  - Expend money (with some exceptions)
  - Certify property taxes to the county assessor







# Why follow Local Budget Law?

- A property tax made contrary to LBL is voidable by the Oregon Tax Court if appealed by:
  - County Assessor
  - County Court
  - County Board of Commissioners
  - The Department of Revenue
  - Ten or more interested taxpayers

ORS 294.461





# DOR v Umatilla County, otc2519 (1986)

A portion of the 1986-87 tax levy was voided by the court.

Umatilla County failed to republish its budget summary to allow the board to impose a levy amount higher than the amount published in its budget summary.



# Civil Liability

Any public official who expends public monies in excess of the amounts or for any other purpose than authorized by law shall be civilly liable for the return of the money, if there is malfeasance in office or willful or wanton neglect of duty.



ORS 294.100

# Districts Not Subject to Local Budget Law

**ORS 261** People's utility districts

**ORS 440** Health districts

**ORS 545** Irrigation districts

**ORS 551** Diking districts

**ORS 553** Water control districts\*

**ORS 554** District improvement companies or corporations

**ORS 568** Soil and water conservation districts\*

**ORS 371** Special and Assessment road districts

**ORS 371** County Road district\*

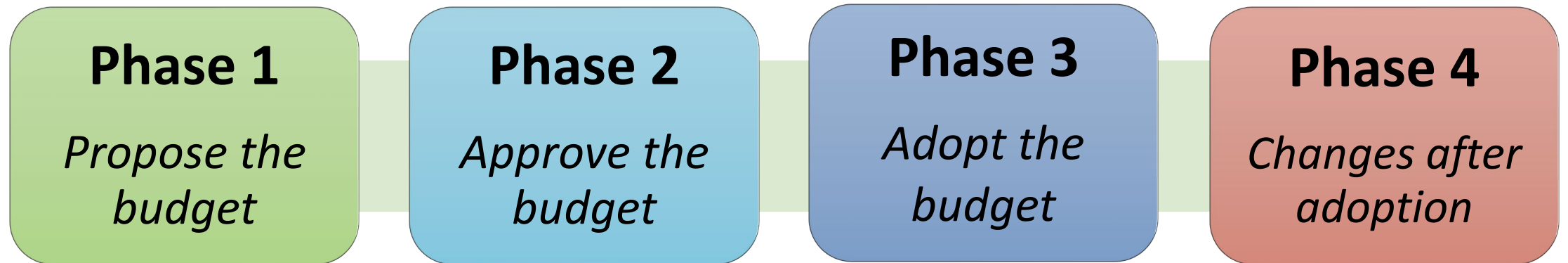
**ORS 372** Highway lighting districts

**ORS 547** Drainage districts

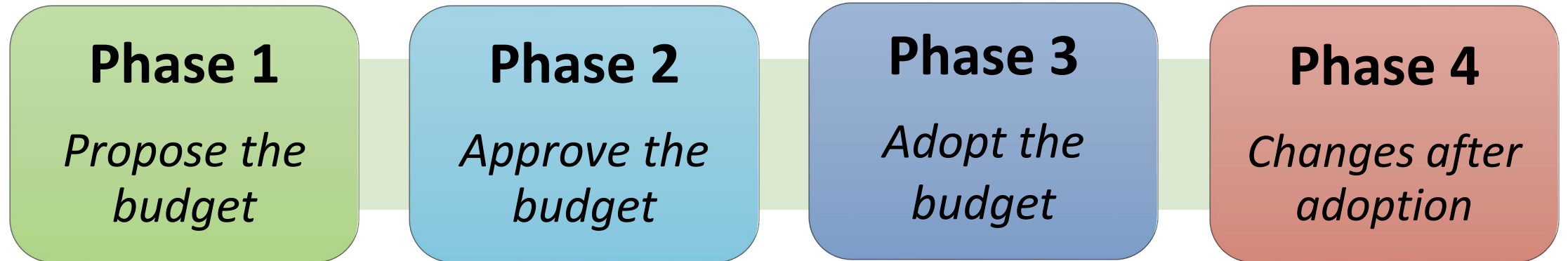
**ORS 221** Historic ghost towns

*\* That will not impose taxes during the ensuing year. If district does impose property tax any year, it is subject to Local Budget Law.*

# The Budget Process



# The Budget Process



# Sample Budget Calendar

- *\* ORS 305.820(2) states that if any deadline that needs to be filed to tax collector or county falls on a weekend or holiday, then the deadline is extended to the next business day.*

	Action	Example Due Date	Complete
1	Appoint budget officer	Jan. 17	
2	Appoint budget committee (BC)	Feb. 1	
3	Prepare proposed budget	March 4	
4	Publish 1 <sup>st</sup> notice of BC meeting	March 11	
5	Publish 2 <sup>nd</sup> notice of BC meeting	April 1	
6	BC meeting & subsequent mtgs. if needed	April 7	
7	Publish notice of budget hearing	May 13	
8	Hold budget hearing	May 20	
9	Enact Resolutions to adopt, etc	June 20	
10	Submit tax certification documents	By July 15*	
11	Send copy of all budget documents to county clerk	By Sept. 30*	

# Prepare Proposed Budget

- Designate budget officer (Who can serve?)
- Budget Officer prepares budget under direction of Executive Officer or Governing Body



# What is a budget



A financial plan



For one fiscal year (July 1 – June 30) , or biennial budget period (July 1, 2021 – June 30, 2023)



Based on estimates of revenues & expenditures and other requirements

The budget is the basis for appropriations, which create the authority to spend public money.



# Resources vs Requirements



## Resources -

Cash on hand  
and anticipated  
receipts

## Requirements -

Expenditures  
going out, other  
budget  
transactions, or  
money being  
held for future  
use

# Estimate Resources and Requirements for Each Fund



- Estimate resources & requirements in line item detail.
- **All** resources & requirements must be budgeted.
- Resources & requirements must **balance**.
- Estimates of resources & requirements must be made in *“good faith.”*

# Budget Resources

- Beginning cash or net working capital (cash, checking balance, LGIP, CD's, etc.)
- User fees, assessments, charges for service
- Grants, gifts, donations, etc.
- Bond & other borrowing proceeds
- Interfund transfers, internal service charges
- Interest earned on deposits
- Property taxes (prior years and current)

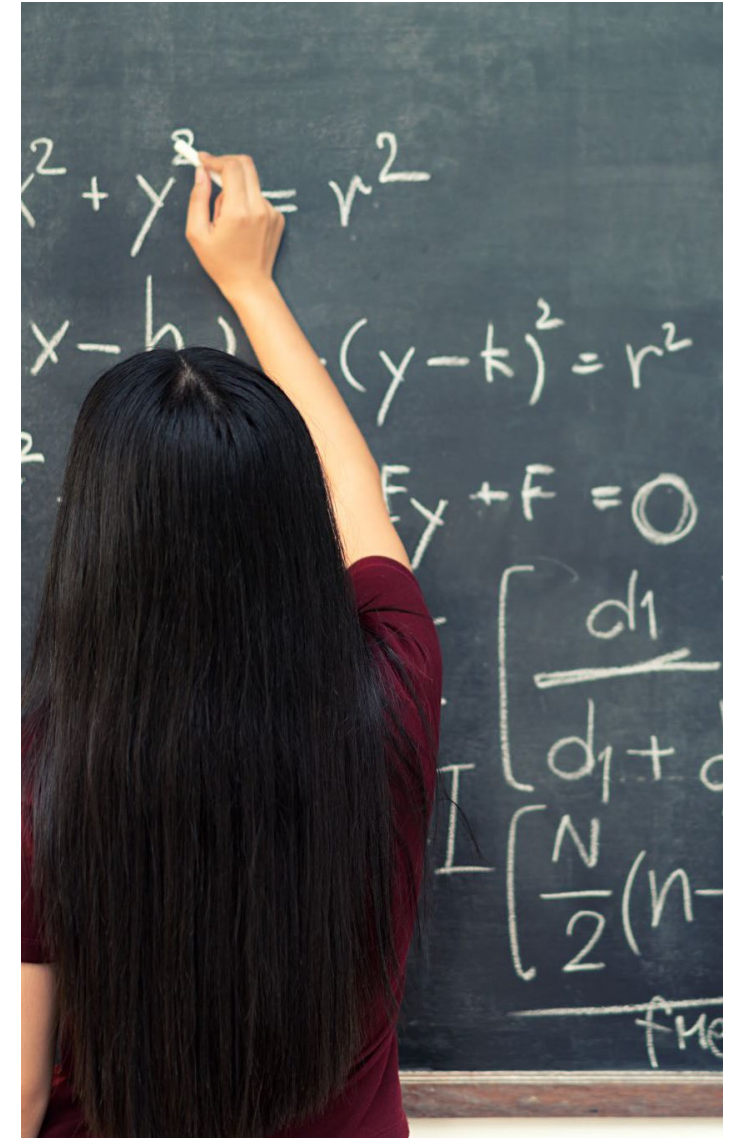
# Estimating Property Taxes

Tax Rate x Taxable Value\* = Tax Amount

Reduced by:

- Compression losses (Measure 5 limitation)
- Discounts
- Uncollectibles

\*"frozen value" in urban renewal plan area



# A brief history of Oregon property tax



<https://www.youtube.com/watch?v=Sg2iVWEyJFw>

Source: Deschutes County Assessor's Office, August 28, 2013

# Constitutional Limitations

Article XI, s. 11 and 11b

**Measure 50**: Tax calculation is based on **Assessed Value (AV)**

**Measure 5**: Operating tax on a property is limited to:

- \$5 per \$1,000 of **RMV** for Education,
- \$10 per \$1,000 of **RMV** for Gen. Government

M5 limit is based on **Real Market Value (RMV)**



## How Does M5 Compression Loss Work?

- If a property's tax is higher than its M5 limit, the tax must be reduced (*"compressed"*) to fall within the limit.
- This loss is shared by all taxing districts (*local option taxes reduced first*).

# M5 Compression Example



Neighbor 1

## M50 Tax Calculation:

Total Combined Gen. Gov. Tax:	\$14/\$1,000 <u>AV</u>
Property's Assessed Value	<u>\$176,384</u>
<b>Tax on Property</b>	<b>\$2469.38</b>

## M5 Limit Calculation:

General Gov. limit	\$10/\$1,000 <u>RMV</u>
Property's Real Market Value	<u>\$220,000</u>
<b>Maximum tax under M5 limit</b>	<b>\$2,200.00</b>

Gen. Gov. Loss due to **M5** Compression=\$269.38



Neighbor 2

## M50 Tax Calculation:

Total Combined Gen. Gov. Tax:	\$14/\$1,000 <u>AV</u>
Property's Assessed Value	<u>\$176,384</u>
<b>Tax on Property</b>	<b>\$2469.38</b>

## M5 Limit Calculation:

General Gov. limit	\$10/\$1,000 <u>RMV</u>
Property's Real Market Value	<u>\$280,000</u>
<b>Maximum tax under M5 limit</b>	<b>\$2,800.00</b>

NO loss to compression



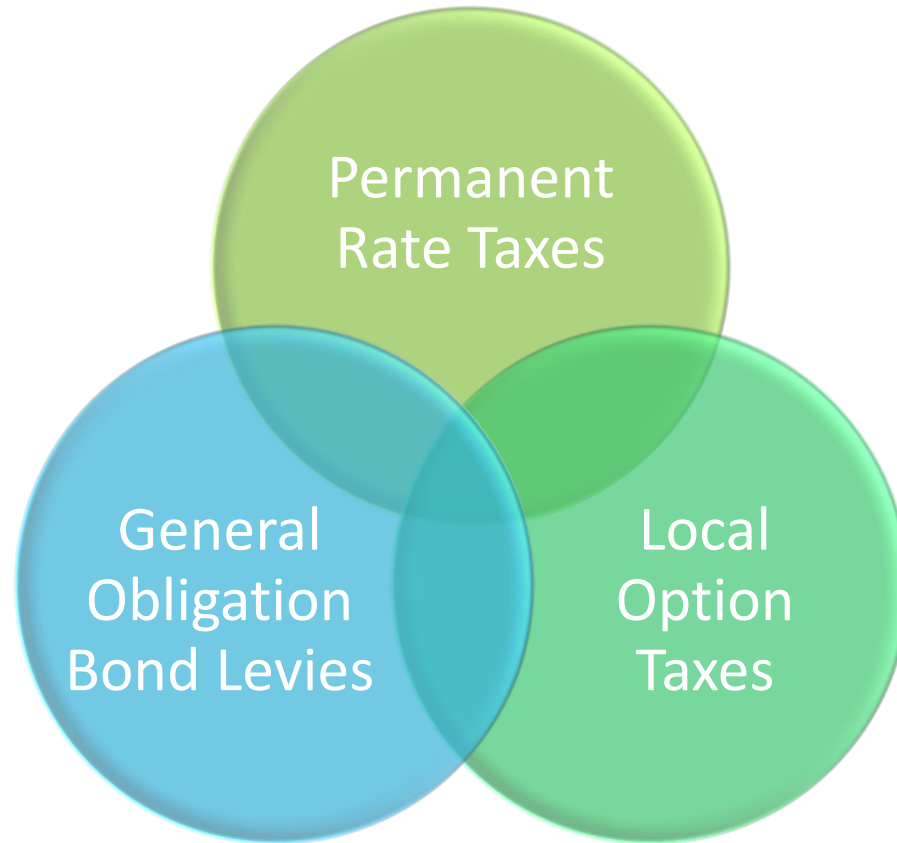
# How Can You Estimate Compression Loss?

## Summary of Assessments and Levies Report (SAL) Table 4a:

- Assessor prepares report in October
- Often mailed to every taxing district
- Reports taxes imposed, compression loss, taxes extended
- Save report and use it next spring for your budget estimate of M5 loss

*Also consider levies of other districts*

# Estimating tax receipts for the 3 types of ad valorem taxes



# Permanent Rate Taxes

- Measure 50 rate limit per \$1,000 of assessed value
- Limit cannot be changed by district or its patrons
- Imposed as rate per \$1,000 or a dollar amount
- Double majority required in March or Sept. election



# Local Option Taxes

- In addition to the permanent rate levy
- Temporary:
  - For Operations - 1 to 5 years
  - For Capital Project - Lesser of 10 years or useful life (Defined in ORS 280.060)
- Voters approve rate per \$1,000 or fixed dollar amount per year\*
- First to be compressed
- Budget options for September election (ORS 280.060)

*\*Double majority required in March or September*

# Estimating Taxes Levied as a Rate

Tax rate: \$1.5340/ \$1,000

Estimated **Assessed Value** in district: \$98,769,946

1. Tax rate <i>(per \$1.00 of AV)</i>	x	<u>.0015340</u>
2. Value x rate	=	\$ 151,513
3. Minus est. <b>Measure 5</b> loss	-	\$ <u>736</u>
4. Tax to be billed		\$ 150,777
5. County collection average	x	<u>.94</u>
6. Tax amount to budget	=	<b>\$ 141,730</b>

# Estimating Taxes Levied as an Amount

1. Total dollar amount to levy	=	\$ 45,000
2. Minus est. <b>compression</b> loss	-	\$ <u>2,500</u>
3. Tax to be billed		\$ 42,500
4. County collection average	x	<u>.94</u>
5. Tax amount to budget	=	\$ <b>39,950</b>

# G.O. Bond Debt Service Levy

- Voter approval of bonds gives authority to tax for annual debt service\*
- Principal & interest (only) on voter-approved general obligation bonds for capital construction
- Always imposed as a dollar amount
- Exempt from [compression](#)

\* Double majority required in March or September

# Estimating Bond Debt Service Taxes

Taxes budgeted for debt service	\$ 60,150
---------------------------------	-----------

Estimated compression losses	<u>          0</u>
------------------------------	--------------------

*(GO bond taxes are exempt from M5 limits)*

Amount to raise	60,150
-----------------	--------

County collection average	<u>          .94</u>
---------------------------	----------------------

Taxes to be levied	\$ 63,989
--------------------	-----------





## Budget is Prepared by FUND

- A self-balancing set of accounts
- Used to record estimated resources and requirements for specific activities and objectives

# Types of Funds

## 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

## Special Revenue Fund

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

## Capital Project Fund

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

## 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.

# Types of Funds

## 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.

# Resources vs Requirements



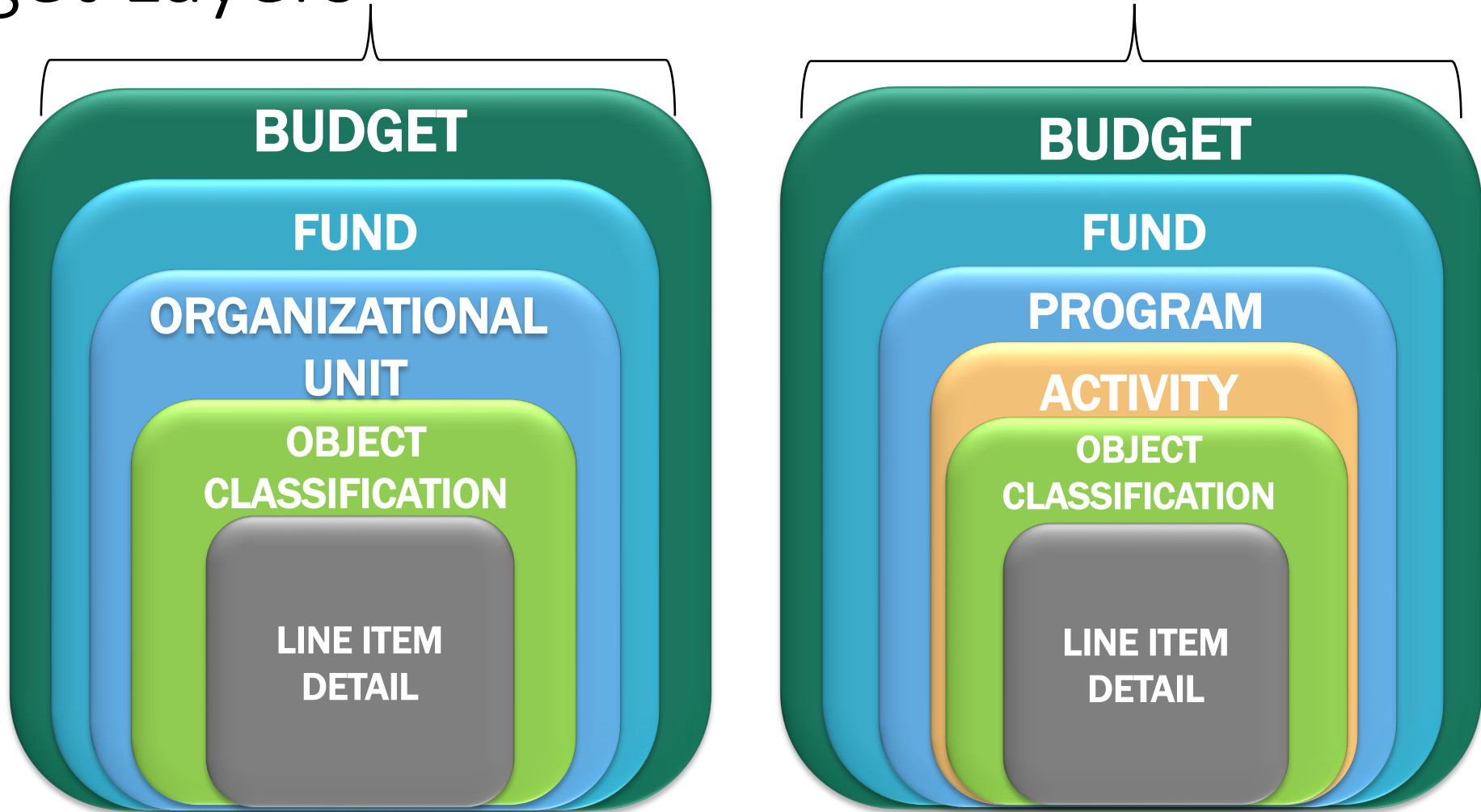
## **Resources -**

Cash on hand  
and anticipated  
receipts

## **Requirements -**

Expenditures  
going out, other  
budget  
transactions, or  
money being  
held for future  
use

# Budget Layers



# Budget Organization

**Organizational  
Unit**

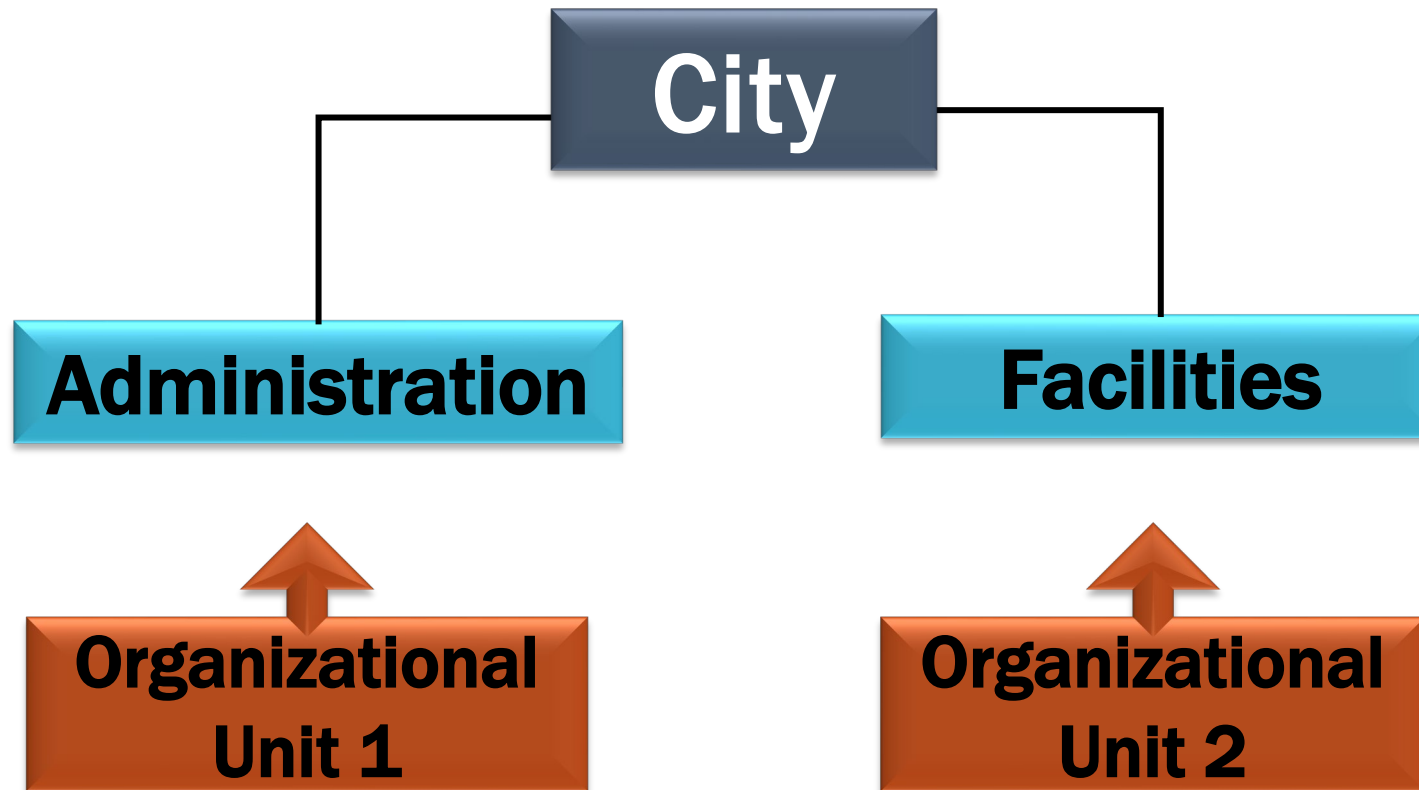
OR

**Program &  
Activities**

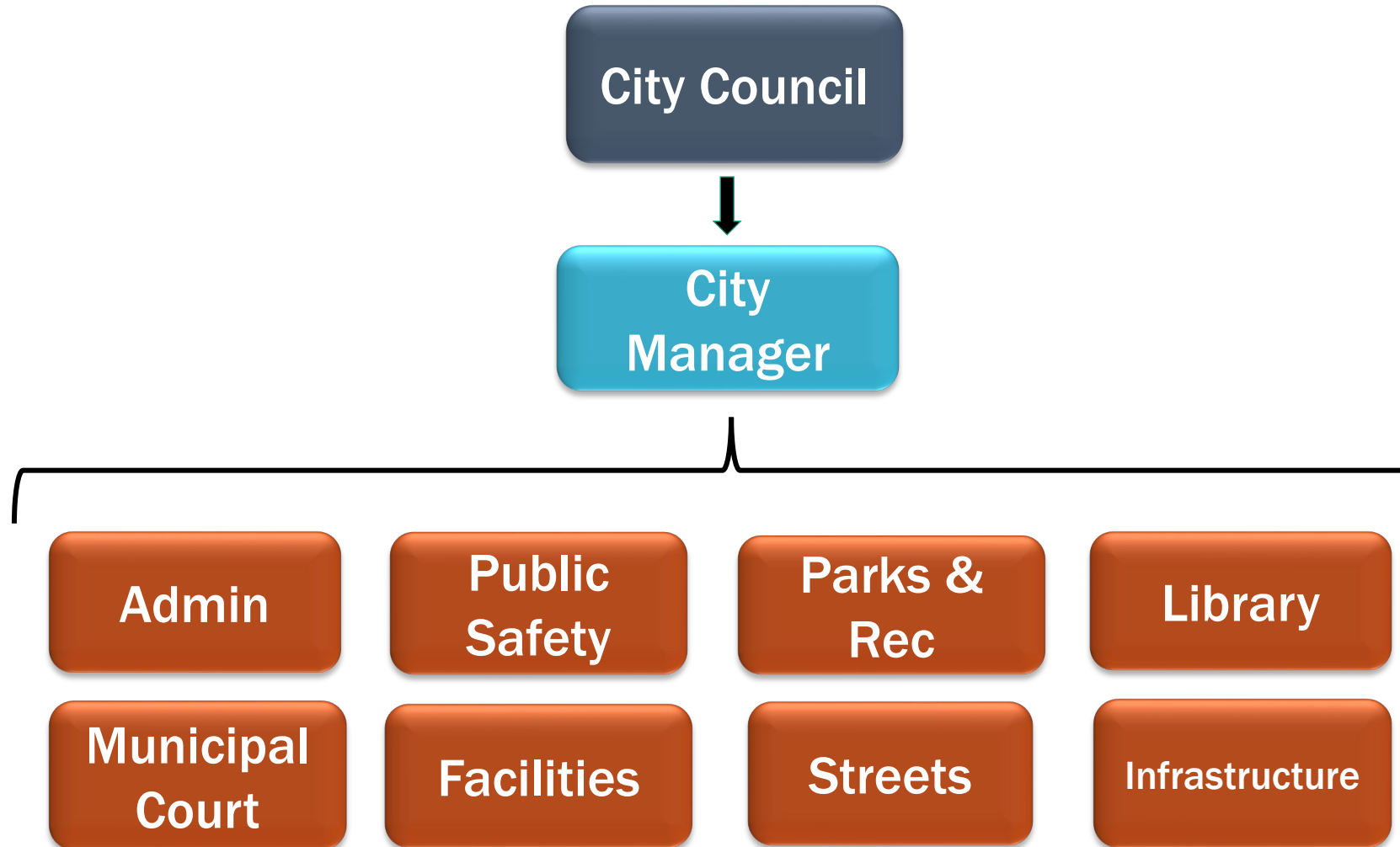
Any administrative subdivision of a municipal corporation, especially one charged with carrying on one or more functions or activities

A group of related activities aimed at accomplishing a major service or function for which the municipality is responsible

# Simple Organizational Unit

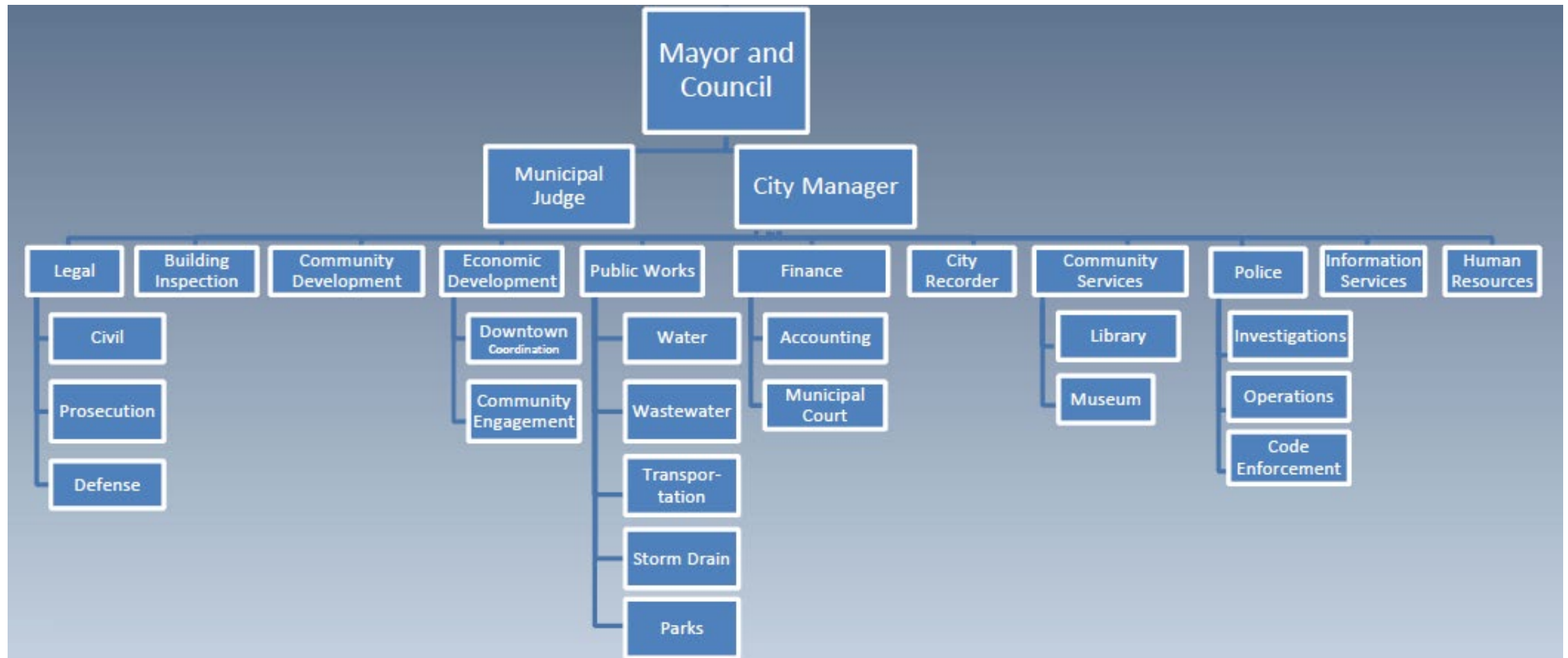


# Speedway's Organizational Chart

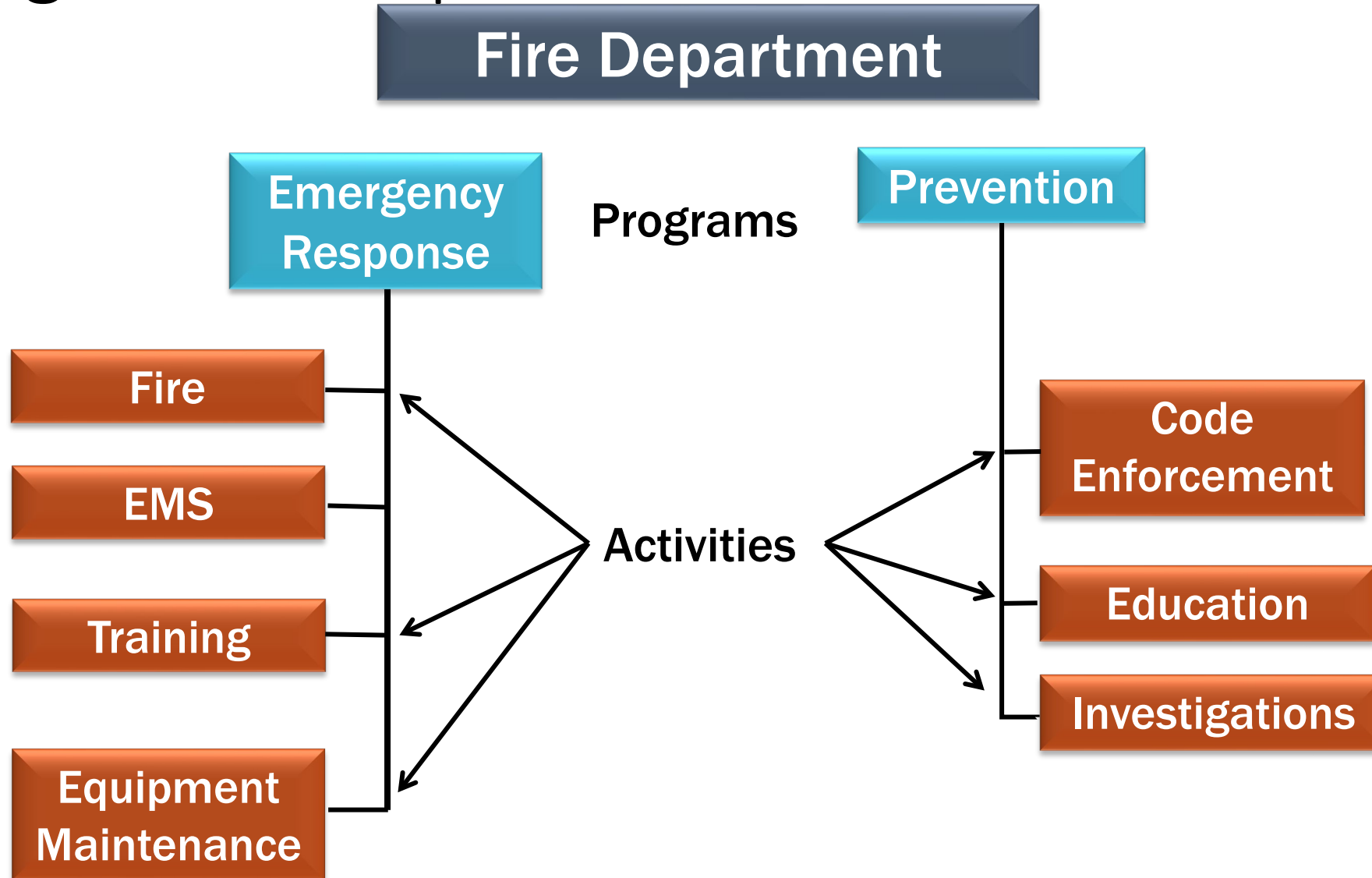




# Organizational Unit Example

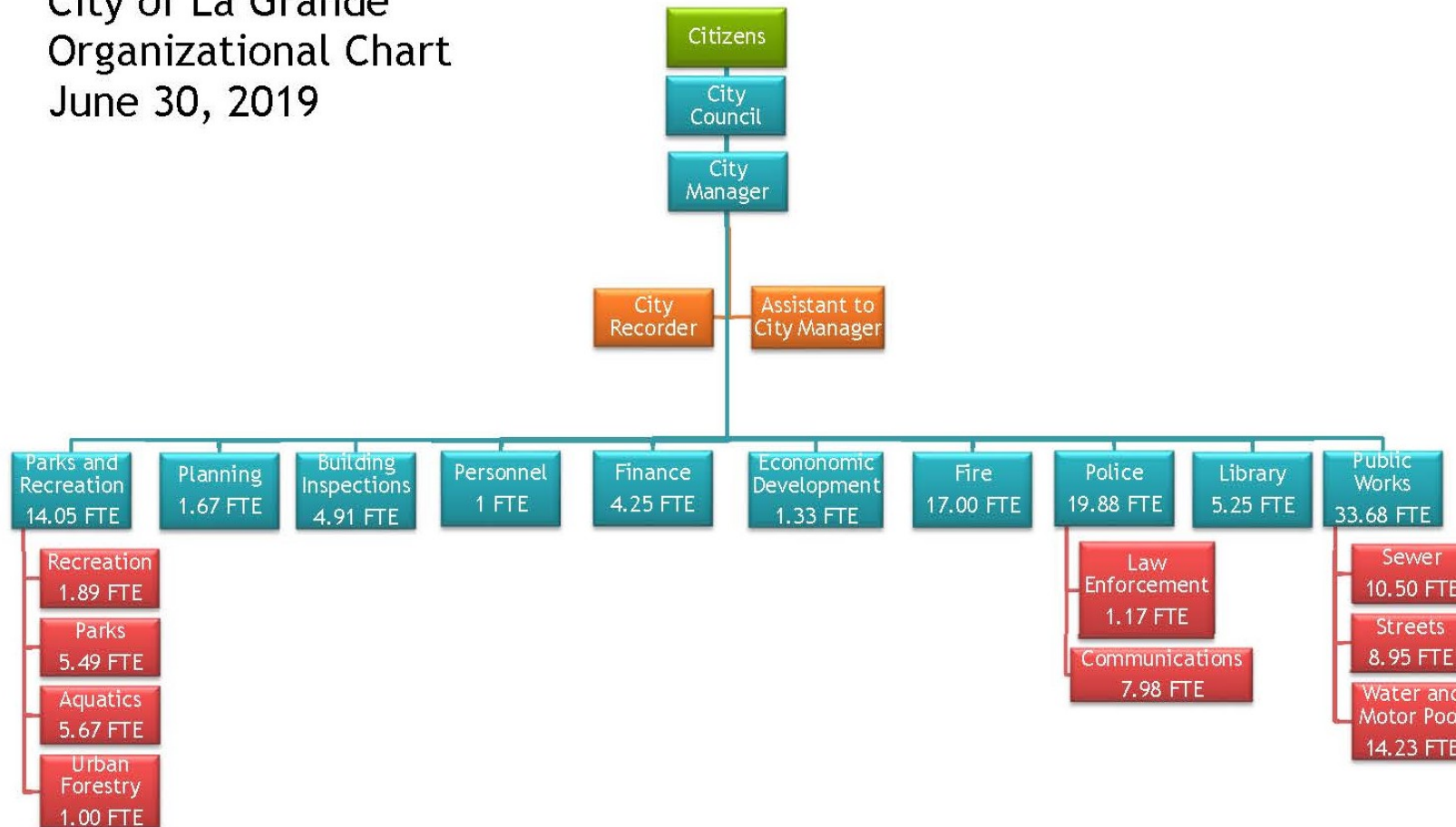


# Program Example



# Program Example

## City of La Grande Organizational Chart June 30, 2019



# Object Classifications (Allocated)

## Personnel Services

Expenses related to employees

Must include associated FTE

## Materials & Services

Consumables and service expenses:

- Contract services
- Supplies
- Other operating expenses

## Capital Outlay

Items with useful life of a year or more

***\*\*\*Always include line item detail\*\*\****

# Object Classifications (Not Allocated)

## Interfund Transfers

Transfer of resources from one fund to another

All transfers out require a corresponding transfer in

## Debt Service

The repayment of any loan, bond, or other borrowing.

## Special Payments

Pass-through payments, grants made to other organizations, or other one-time or unusual payments that do not fit into any other expenditure category

# Object Classifications (Not Allocated)

## Operating Contingency

Unidentified operating expenses.

Only budgeted in operating fund

## Reserved for Future Expenditure (RFE)

Saved for future spending

## Unappropriated Ending Fund Balance (UEFB)

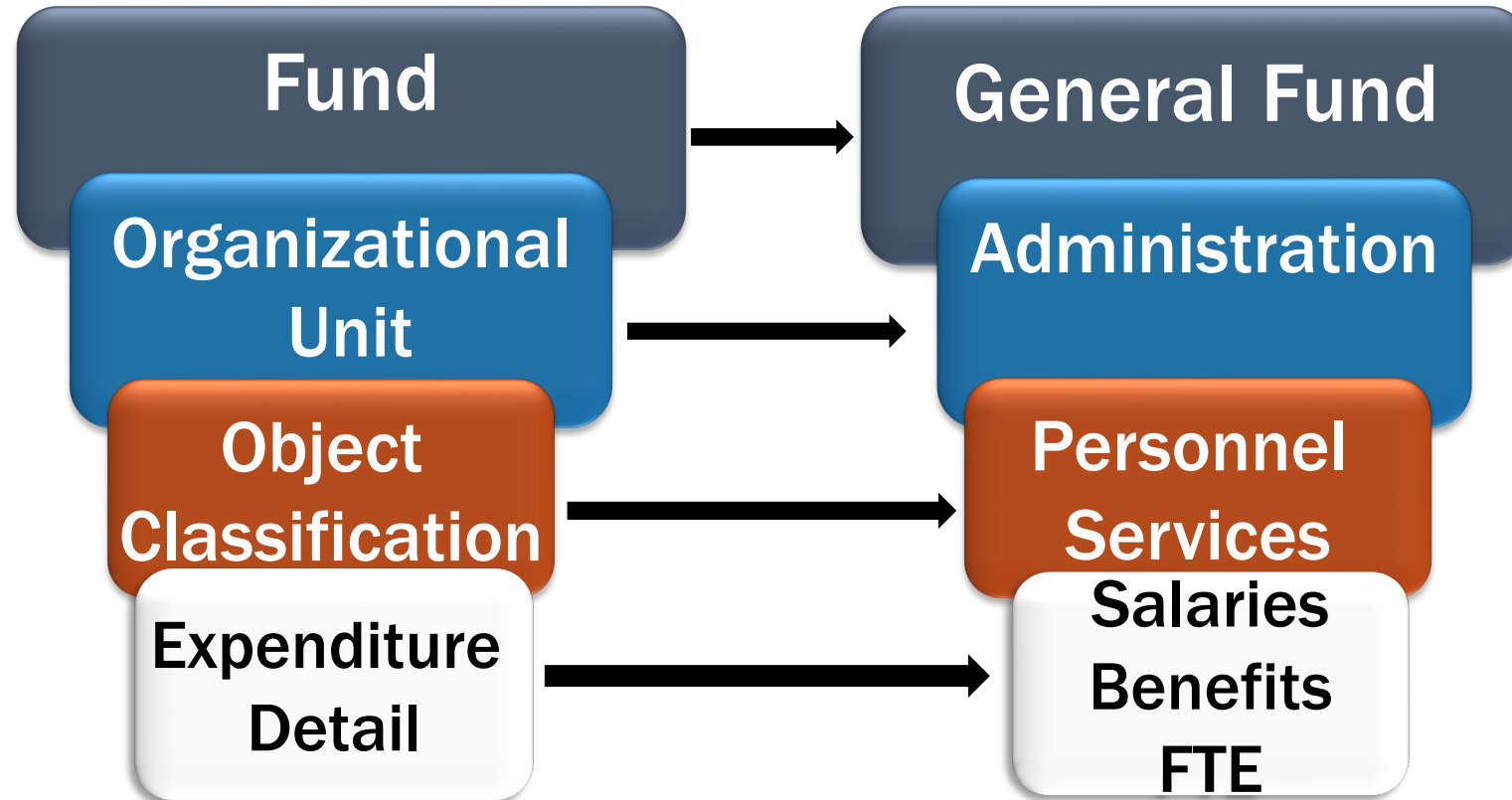
Carry-over for next year's budget to cover requirements prior to resources being available

# Budget Requirements

		Object Classifications	Allocated or Not Allocated to an Organizational Unit or Activity?
Requirements	Expenditures	Personnel Services	<b>Usually Allocated</b>
		Materials & Services	
		Capital Outlay	
		Special Payments	<b>Not Allocated</b>
		Debt Service	
		Transfers (out)	
		Operating Contingency	
		Reserved for Future Expenditure	
		Unappropriated Ending Fund Balance	

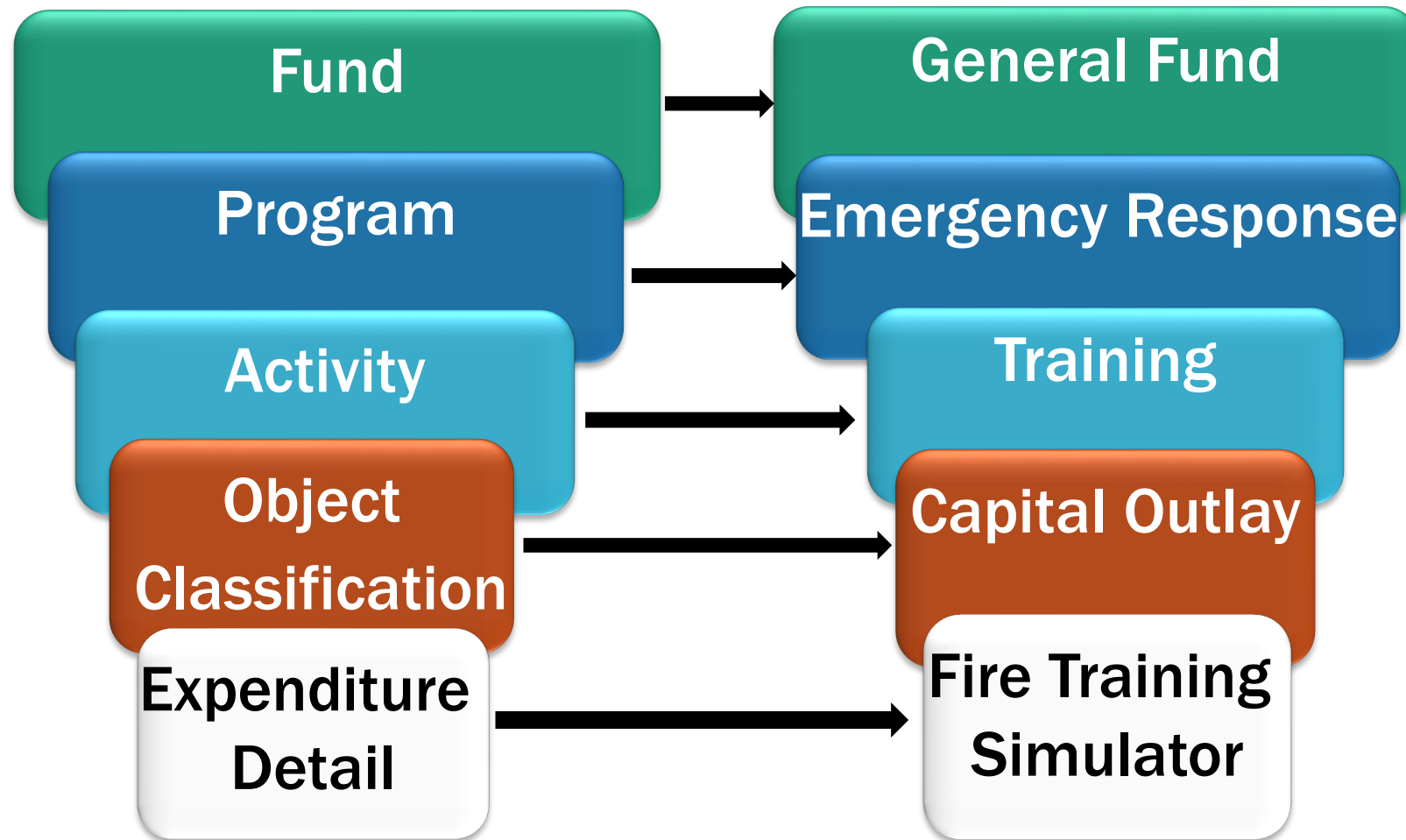
ORS 294.388

# Budget Organization – Organizational Units

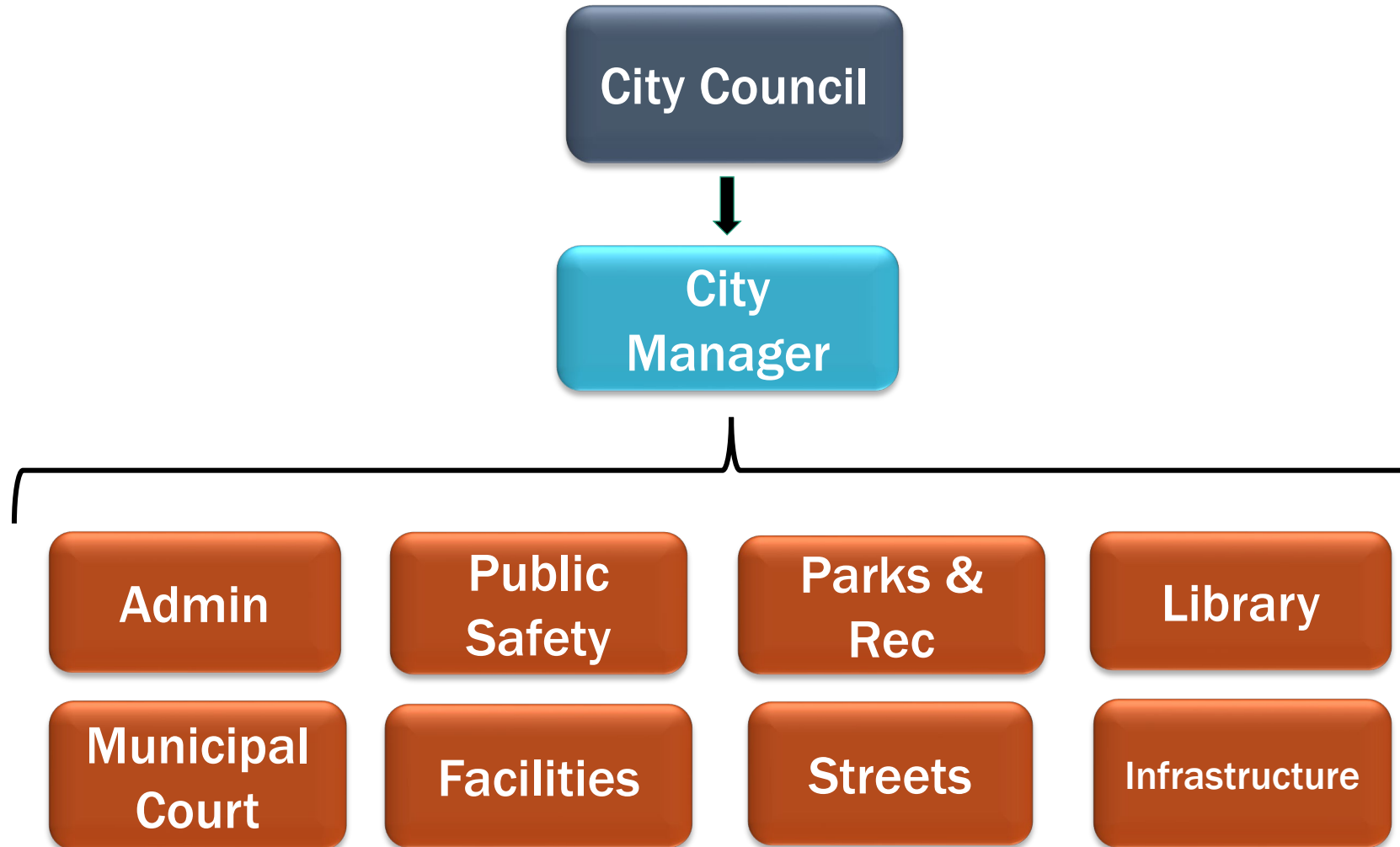




# Budget Organization – Programs



# Speedway's Organizational Chart



# Sample Budget Organization

## **General fund**

Admin

Public Safety

Parks & Rec

Library

Municipal Court

Facilities

## **Debt Service Fund**

## **Circus Maximus Streets Fund**

Street Department

## **Circuit Library Special Revenue Fund**

Library

## **Hippodrome Reserve Fund**

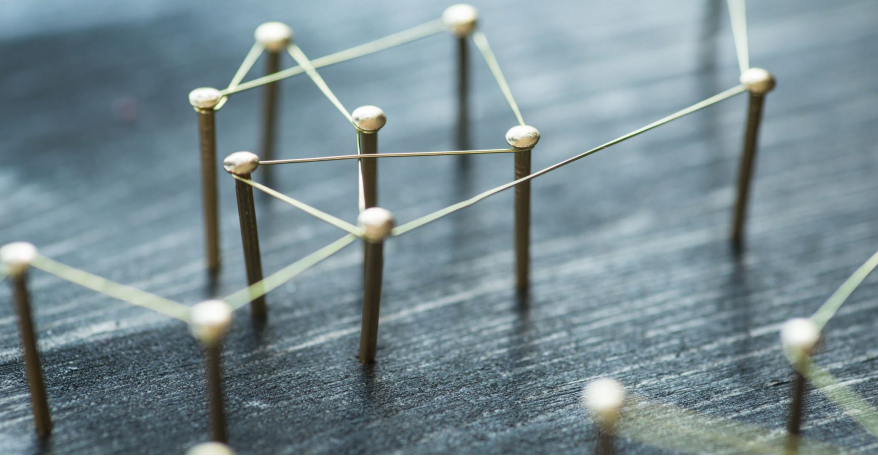
Infrastructure



Review Sample Budget

# Budget Detail: Statutory Minimum

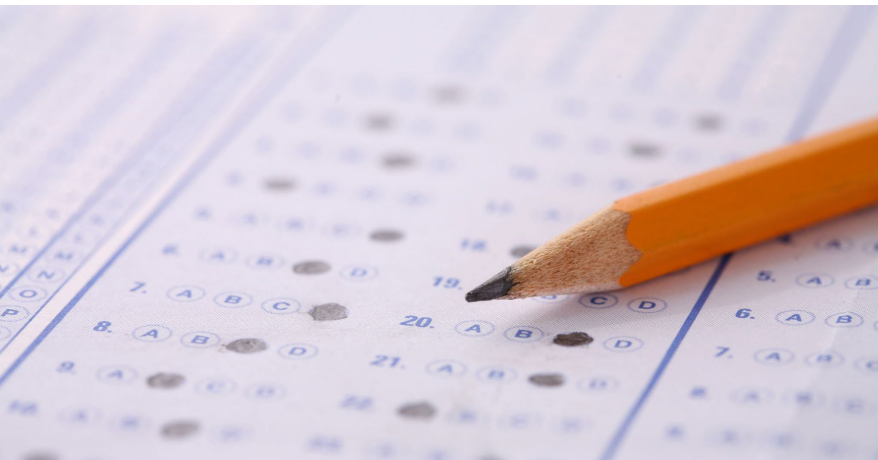
- Line item description
- 2 prior years actual information *(Use actual / audited #'s)*
- Budgeted amount for current fiscal period
- Proposed amount for next year
  - Once BC approves, complete “Approved” column
  - Once Governing Body adopts, complete “Adopted” column

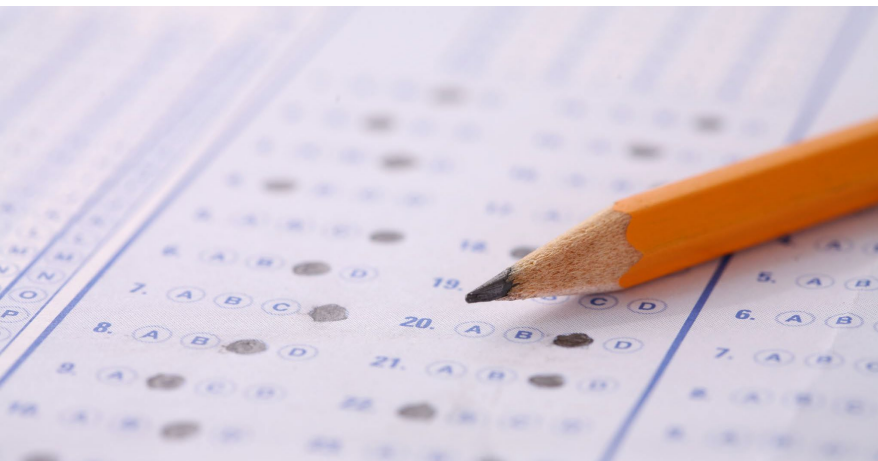
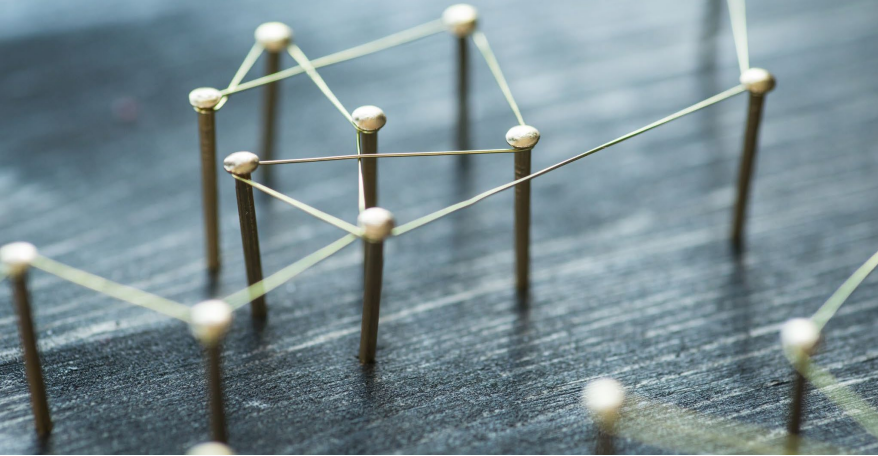


# Discussion: Proposed Budget



1. What is the basic formula used to estimate the amount of property tax to be received? What other factors should be considered?
2. **True** or **False**: When levying for G.O. bond debt, your levy amount should be equal to the amount needed to pay principle and interest.
3. What's the difference between an organizational unit and a program?
4. **True** or **False**: If your budget has only one fund, you don't need to budget by organizational unit or program.





# Discussion: Proposed Budget

5. **True or False:** Debt service must always be budgeted in a debt service fund.
6. Which object classifications should never be allocated to an organizational unit?
7. Which object classifications are defined as operational expenditures?
8. What information do you have to include in your budget if you estimate expenditures for Personnel Services?
9. **True or False:** “Non-Departmental” is an appropriate name for an organizational unit within the General Fund.



# Boundary Changes



- The Cadastral Information Systems Unit (CISU) web page about how to comply with ORS 308.225 when making changes to your boundaries has been updated.
- For assistance in how to comply with the statute, please review the information at:

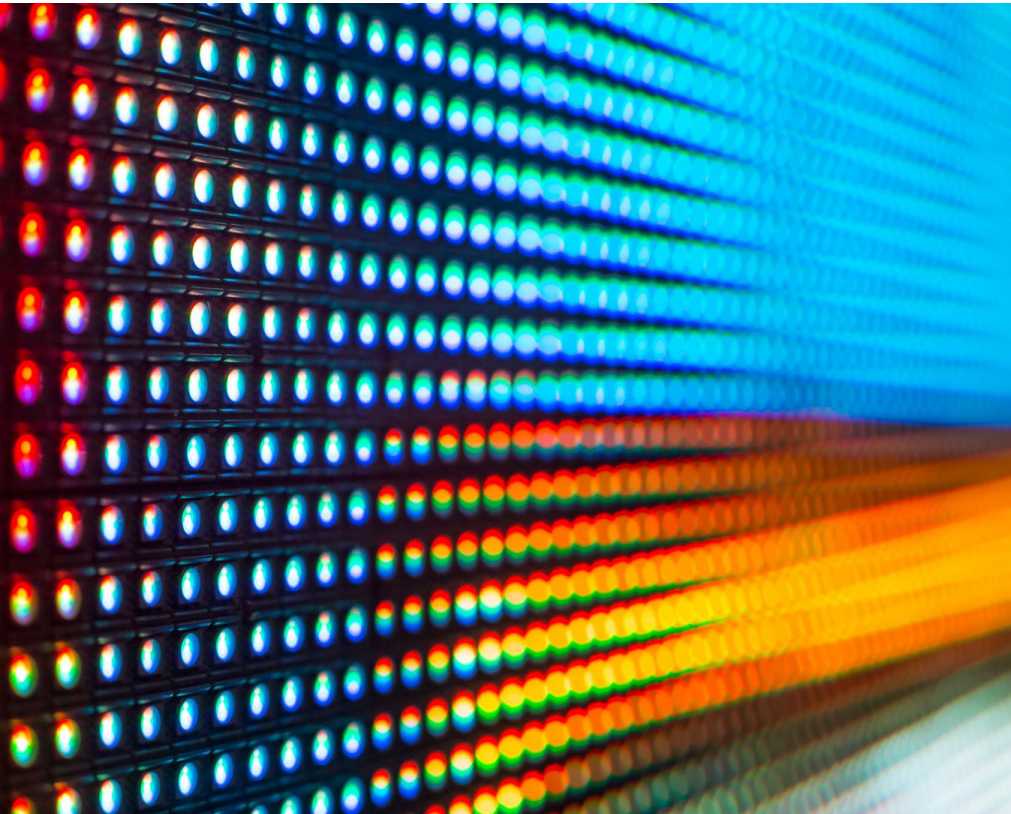
[https://www.oregon.gov/DOR/forms/FormsPubs/boundary-change\\_504-405.pdf](https://www.oregon.gov/DOR/forms/FormsPubs/boundary-change_504-405.pdf)





# Property Tax Resources

- Oregon Revised Statutes (ORS 294.305-294.565)
- Oregon Administrative Rules (OAR 150-294-0300 to 150-294-0550)
- Local Budget Law Manuals and Publications
  - Property Tax Research Reports
  - Tax Expenditure Report
- Property Tax Statistics Report
- Online Videos
- DOR Local Budget Law Training Videos
  - YouTube Deschutes Property Tax Fairy
  - Property Taxes: The Tax Fairy explains, what's in it for me?
  - Why Property Values Fluctuate?



# Questions?

<b>Danette Benjamin</b>	(971) 301-1149	<a href="mailto:danette.m.benjamin@dor.oregon.gov">danette.m.benjamin@dor.oregon.gov</a>
<b>Melanie Cutler</b>	(971) 301-1128	<a href="mailto:melanie.cutler@dor.oregon.gov">melanie.cutler@dor.oregon.gov</a>
<b>Jean Jitan</b>	(971) 600-4097	<a href="mailto:jean.jitan@dor.oregon.gov">jean.jitan@dor.oregon.gov</a>
<b>Arlen Stewart</b>	(971) 209-9970	<a href="mailto:arlen.r.stewart@dor.oregon.gov">arlen.r.stewart@dor.oregon.gov</a>



**FT&E Message Phone #** (503) 945-8293

**Email** [finance.taxation@dor.oregon.gov](mailto:finance.taxation@dor.oregon.gov)

## **Local Budget Forms and Manuals on Internet:**

<http://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx>

**Subscribe to our email list for email notices of future training workshops and news on any changes to Local Budget Law. Sign up through this link:**

<http://listsmart.osl.state.or.us/mailman/listinfo/localbudget>

# Local Budgeting in Oregon



# Local Budgeting in Oregon

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*Local Budgeting in Oregon* is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual*. This booklet will introduce you to the requirements of Oregon's Local Budget Law, but it is not a substitute for the *Manual*. Before you take any formal action in the budget process, consult the *Manual*.

## First, the basics

### What is the law?

Most local governments in Oregon, from the smallest cemetery district to the largest city, must prepare and adopt an annual or biennial budget. (The only exceptions are a few types of local governments specifically exempted.) Schools, counties, cities, ports, rural fire protection districts, water districts, urban renewal agencies, and special districts are all subject to the same budget provisions.

This is not unusual. Many states have specific laws which require units of local government to prepare and adopt annual operating budgets. Yet, Oregon's budgeting system is considered one of the most progressive in the nation. Why?

Look at Oregon's Local Budget Law. (You'll find it in Chapter 294 of the Oregon Revised Statutes.) The law does two important things:

1. It establishes standard procedures for preparing, presenting, and administering the budget.
2. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before its formal adoption.

Many people rely on you, as an elected or appointed official, to see that the annual budget is prepared correctly. State officials check to see that the budget is prepared and administered according to law, and citizens in your district check to see that programs they want and need are adequately funded. This makes budgeting in Oregon a joint effort between the people affected by the budget and the appointed and elected officials responsible for providing the services.

To give the public ample opportunity to participate in the budgeting process, local budget law requires that a budget officer be appointed and a budget committee be formed. The budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally approved. Notices are published, budgets are made available for public re-

view, and at least two opportunities for public comment are provided. These requirements encourage public participation in the budget-making process and give public exposure to budgeted programs and fiscal policies before their adoption.

Naturally, citizen involvement varies from one community to the next. If the patrons in your district are active and involved, you may find citizens asking for information not specifically required under local budget law. It is up to your local government to prepare a budget that clearly outlines its fiscal policies and is satisfactory to the voters of the district. If you can make your budget clear and concise, you'll find that taxpayers have a better understanding of the purposes for which their tax dollars are spent. You may also find the citizen input informative and beneficial.

### What is a budget?

A budget is a financial plan containing estimates of expenditures and revenues for a single fiscal year (July 1 through June 30).

Note: Local governments have the option of budgeting on a 24-month "biennial" budget period or by fiscal year. For the differences entailed in biennial budgeting, see page 8. Throughout this booklet, we refer to "fiscal year" but if a local government adopts a biennial budget, the period referred to is a 24-month period.

Besides outlining programs for the coming year, the budget controls the local government's spending authority. Since the budgeting process encourages citizen input, the budget is also a vehicle for obtaining public opinion about proposed programs and fiscal policies of your district.

The content and detail of each budget will vary substantially because of differences in the purpose, size, and complexity of local governments.

### Who is on the budget committee?

The budget committee consists of the members of the local governing body (such as county commissioners or school board members) and an equal number of citizens at large. The citizens are appointed by the governing body and serve terms of three years. Terms are staggered so that about one-third of the appointed terms end each year.

Note: For most of the districts in Multnomah County, because the Tax Supervising and Conservation Commission (TSCC) holds the budget hearing, the governing body is the budget committee and there are no appointive members. These districts should consult with the TSCC about their processes. This publication addresses the budget committee process for all other districts in the state.





## The budget cycle

### The nine steps

Budgeting is not something you do once a year. It's a continuous operation, and it takes 12 months to complete a cycle. The budgeting process is actually in three parts: The budget is prepared, approved, and finally adopted. Your budget must be prepared far enough in advance so that it can be adopted before June 30. After adopting the budget, the governing body will make the necessary appropriations and certify the tax levy to the county assessor.

To simplify this rather complex process, we've divided budgeting into nine steps.

### Preparing the budget

1. **Budget officer appointed.** Each local government must have a budget officer, either appointed by the governing body or designated in the local government's charter. The budget officer is under the supervision of either the executive officer or the governing body.
2. **Proposed budget prepared.** The budget officer is responsible for preparing or supervising the preparation of the proposed budget for presentation to the budget committee.

### Approving the budget

3. **Budget officer publishes notice.** When the proposed budget and the budget message are ready, the budget officer publishes a "Notice of Budget Committee Meeting." If notice is only published in a newspaper of general circulation, it must be published at least twice, five to 30 days before the scheduled budget committee meeting date. The notice may be published once in a newspaper (five to 30 days prior to the scheduled budget committee meeting) as long as it is also published on the local government's website at least 10 days before the meeting. The newspaper notice must include the website address. If notice is hand delivered or mailed, only one notice is required not later than 10 days prior to the meeting.
4. **Budget committee meets.** At least one meeting must be held to 1) receive the budget message and budget document, and 2) hear the public. The budget officer provides a copy of the proposed budget to each member of the budget committee. The copies may be distributed any time before the advertised bud-

get committee meeting. It is also acceptable to wait and distribute the budget at the advertised meeting. When the budget is given to the budget committee, it becomes a public record and must be made available to the public.

The budget committee members cannot get together in person, by telephone, or email before the advertised meeting to discuss the budget. All budget discussions must be held at public meetings.

At the budget committee meeting, the budget message is delivered. The budget message explains the proposed budget and significant changes in the local government's financial position. At this meeting, the budget committee may provide members of the public the opportunity to ask questions about or comment on the budget. If public comment is not allowed at this meeting, the budget committee must provide the public with the opportunity at subsequent meetings.

After the initial meeting, if needed, the budget committee may meet as many times as needed to revise and approve the budget. If two or more meetings are held to take comment from the public, only the first meeting to do so must meet the publication requirements explained in step 3. Notice of additional meetings for this or any other purpose may be provided in the same time frame and manner as notices of meetings of the governing body. Notice of other meetings of the budget committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

5. **Committee approves budget.** When the budget committee is satisfied with the proposed budget, including any additions to or deletions from the one prepared by the budget officer, the budget is approved. If the budget requires an ad valorem tax to be in balance, **the budget committee must approve an amount or rate of total ad valorem property taxes to be certified to the assessor.**

### Advertising and holding hearings

6. **Budget summary and notice of budget hearing published.** After the budget is approved, a budget hearing must be held by the governing body. The budget officer must publish a summary of the budget approved by the budget committee and notice of budget hearing five to 30 days before the scheduled hearing. This information must either appear in a newspaper of general circulation, be mailed, or be hand delivered.

If no newspaper is published in your district and estimated expenditures for the ensuing year do not exceed \$100,000, you may provide the budget summary and notice of budget hearing by posting it in three conspicuous places within the district for at least 20 days prior to the date of the hearing.

See the *Manual* for details on publication requirements.

7. **Budget hearing held.** The budget hearing must be held by the governing body on the date specified on the public notices.

The purpose of the hearing is to receive citizens' testimony on the budget approved by the budget committee. Additional hearings may be held. All hearings are open to the public.

### Adopting the budget

8. **Budget adopted, appropriations made, tax levy declared and categorized.** By law, the governing body may make changes in the approved budget before or after it is adopted, but no later than the beginning of the fiscal year to which the budget relates. However, without first publishing a revised budget summary and holding another budget hearing:

- Taxes may not be increased beyond the amount approved by the budget committee, and
- Estimated expenditures in a fund may not be increased by more than \$5,000 or 10 percent, whichever is greater.

After the budget hearing, and after considering relevant testimony, the governing body adopts the budget. **It should not be formally adopted until the latter part of June** so last-minute revisions to revenue or expenditure estimates can be incorporated.

The governing body must enact a resolution or ordinance to 1) formally adopt the budget, 2) make appropriations, and if needed, 3) levy, and 4) categorize any tax. The budget is the basis for making appropriations and certifying the tax levy. The resolution or ordinance must be adopted no later than June 30. See the *Manual* for the format of the resolution or ordinance.

9. **Budget filed and levy certified.** The final step in the budget cycle is to certify any necessary property tax levy.

Districts levying a property tax must submit to the county assessor's office on or before July 15:

- Two copies of notice of levy and the categorization certification, and
- Two copies of the budget resolution or ordinance.

Each local district that does not levy a property tax must send a copy of the resolution adopting its budget and making appropriations to the Department of Revenue on or before July 15. All local districts send a copy of the complete budget to the county clerk on or before September 30. School districts also submit a copy of the budget to the county education service district office and to the Oregon Department of Education.



## The budget document

All budgets must meet certain minimum requirements, outlined here. For specific examples consult the *Manual*.

Under local budget law the budget must follow a basic format. Expenditures generally are broken down first by fund, then by organizational unit or program, and then, more specifically, by object classification and object. Revenues are broken down by fund, at the least.

### What is a fund?

A fund is a fiscal and accounting entity with self-balancing accounts set aside to carry on a specific activity or to meet certain objectives in accordance with a specific regulation. The requirements and resources of a fund must always balance. Every budget has at least one fund (commonly called the General Fund) which is used for everyday operation of the local government.

Depending on the size and complexity of your local government and the services it provides, your district may also have a number of special funds. The most common reason for establishing a special fund is to account for a revenue source whose use is limited to a particular kind of expenditure. Examples include: debt service funds, construction funds, reserve funds, street funds, water funds, and sewer funds.

### What is an organizational unit?

Some funds are broken down to account for one or more organizational units or activities, which are merely subdivisions of a fund. An organizational unit might be a department, office, or division. What you call these units is up to your local government.

### What is a program?

Budget requirements may be prepared by program. Programs are groups of activities to accomplish a major service or function. Schools use programs in budgeting.

### Budget format

Your budget detail sheets for expenditures and revenues must show in parallel columns:

1. Actual expenditures and revenues for two years preceding the current year.
2. Budgeted requirements and revenues for the current year.

3. Estimated requirements and revenues for the coming fiscal year. Upcoming fiscal year estimates should be broken into three columns: proposed, approved, and adopted, showing estimated amounts as they are considered through each step of the budget process.

Information in each column must be itemized to show all estimated or incurred requirements and revenues.

## Revenues

Budget revenues are divided into two types: ensuing year property tax and nonproperty tax revenues. Property taxes shown in your budget will not be the same as the property tax “levy” you submit to the assessor.

There are three reasons for this. First, not all taxpayers pay their taxes in the year billed. Second, discounts are given for timely property tax payments. Third, the Oregon Constitution sets a limit on the amount of taxes that can be collected from an individual property.

You must estimate the amount of taxes to be lost because of the “constitutional limits” and “discounts allowed and other uncollected amounts.”

The total of these amounts plus estimated taxes to be received cannot exceed your district’s taxing authority, which includes its rate limit, voter approved local option levies, and levies to repay bonded debt. This total is the amount of tax levy that is certified to the assessor.

The amount estimated as “loss due to constitutional limit” will vary from district to district. Late in October or early November each year, the tax collector sends the district a report on the amount of taxes that will actually be billed for the district. This is called the taxes imposed.

“Discounts allowed and other uncollected amounts” normally will represent only a small percentage of the property tax levy. Contact your county tax collector for help in determining this percentage.

You next need to calculate how much tax revenue can be raised using the district’s permanent rate limit.

$$\begin{array}{c} \text{Rate Limit} \\ \text{times} \\ \text{Estimated District Assessed Value} \\ \text{equals} \\ \text{Amount Raised By Rate Limit} \end{array}$$

This amount plus any local option taxes or bond levies, less the estimate of taxes to be lost, is the amount of tax revenue estimated to be received. If this amount is less than the amount needed for the budget, requirements must be reduced, other sources of revenue found, or additional taxing authority approved by voters.

## Expenditures and requirements: by fund

Under the law, budget expenditures and other requirements must be itemized to show all estimated expenses. The estimates may be prepared either by program or organizational unit. Within any fund each expenditure must be detailed and identified, arranged by organizational unit if applicable, and put into one of these major object classifications:

- **Personnel services** includes all salaries, fringe benefits, and miscellaneous costs associated with salary expenditures.
- **Materials and services** includes contractual and other services (example: audit or legal services), materials, supplies, and other charges.
- **Capital outlay** includes acquisition of land, buildings, improvements, machinery, and equipment.

Some special expenditures and requirements do not fit logically into one of these three object classifications. These are put in special categories. The most common special categories are:

- **Debt service** includes repayment of principal and interest on bonds, interest-bearing warrants, and short term loans.
- **Transfers.** An amount to be given as a resource to another fund in the budget.
- **General operating contingencies.** A special amount set aside in the upcoming year for unforeseen expenses.
- **Unappropriated ending fund balance.** A special amount set aside in a budget for use as a resource in the beginning of the next fiscal year after it was budgeted.

## Expenditures and requirements: program budgets

Program budgets are prepared differently. Estimates for each program must be arranged by activity and then put into separate object classifications, as already described.





## Taxes and budgeting

Many local governments rely heavily on property taxes to finance services they offer. In some cases, services are paid for entirely by property taxes.

The amount and type of tax a local government may levy is limited by the Oregon Constitution and Oregon law. The constitution allows a local government to levy annually the amount that would be raised by its permanent rate limit without further authorization from the voters. Revenue from the permanent rate-limited levy can be used for any purpose.

When a local government has no permanent rate limit or when the rate limit does not provide enough revenue to meet estimated expenditures, the government may request a local option levy from the voters. These levies are in excess of the rate limit and require voter approval. Currently, ESDs cannot use the local option tax. Schools and community colleges can use the local option tax, but the amount they may request is limited.

A local option can be used for general purposes or a specific activity. The levy may be stated as a total dollar amount or rate to be levied uniformly for a period. If the levy is for an operating purpose, the period cannot exceed five years. If the levy is for a capital project, the period cannot exceed 10 years or the life of the capital asset, whichever is less.

A debt service levy is used only to pay principal and interest on bonds. The constitution does not require voters to approve this type of levy each year. That's because voter approval of a bond issue is considered approval of levies necessary to repay bond interest and principal.

By law, some local governments are limited on the total amount of tax they may levy. These limits are computed as a percentage of a local government's property value. For specific examples, consult the *Manual* or the Department of Revenue, Finance and Taxation Unit.

Tax levies not made according to law may be voided by an appeal to the Oregon Tax Court. Appeals can be made by the county assessor, county court, board of commissioners, Oregon Department of Revenue, Tax Supervising and Conservation Commission, or 10 or more interested taxpayers. An appeal must be submitted within 30 days after the local government certifies the tax levy to the county assessor.

In addition, since 1991, the Oregon Constitution has limited the amount of taxes that may be imposed on any property. For any property, the maximum amount of taxes to support the public school system is \$5 per \$1,000 of real market value. The maximum amount of taxes to support other government operations is \$10 per \$1,000 of real market value. Certain types of taxes may not be subject to the limit. See the *Manual* for further information.



## Elections and budgeting

Many local governments find that available revenues, including revenue from levies made under the permanent rate limit, are not enough to finance proposed expenditures. In this case, there are two alternatives:

1. Lower the proposed expenditures to equal available revenues, or
2. Schedule a tax levy election to obtain voter approval to levy a local option tax.

All local governments that decide to schedule a levy election are limited to four election dates each year. The levy election must be on one of these dates.

See your county elections officer for more information. The county elections officer publishes election notices, sample ballots, and a list of polling places.

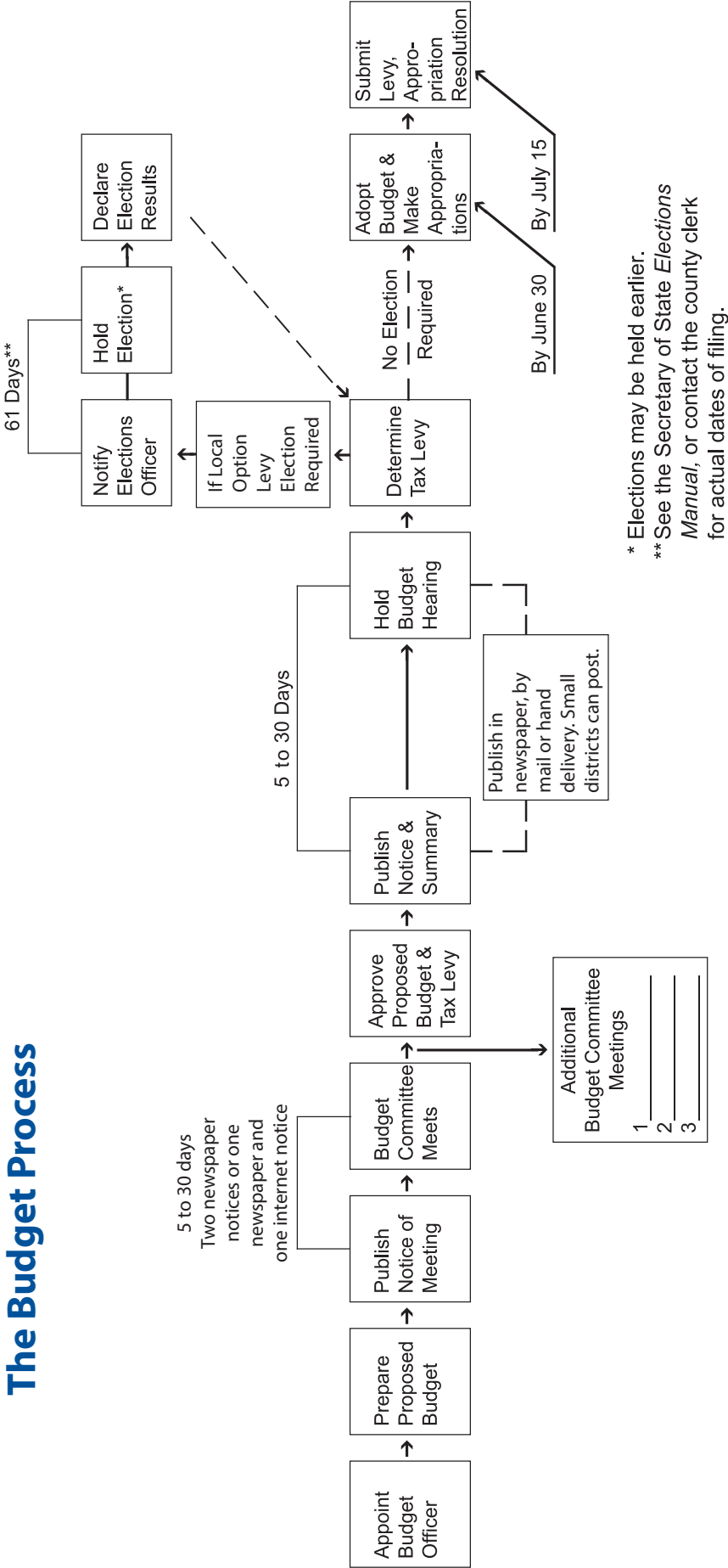
### Election dates

- Second Tuesday in March
- Third Tuesday in May
- Third Tuesday in September
- First Tuesday after the first Monday in November

Even if the voters have not yet approved the tax levy before the end of the fiscal year, the governing body must adopt the budget and make appropriations by June 30 to lawfully spend public funds in the new fiscal year. When the district is planning on a tax levy election in September, it must request in writing from the county tax assessor an extension to certify its tax levy. When the tax levy is finally determined, the governing body adopts the resolution to levy taxes and submits its final levy certification to the assessor. If the late levy election failed, the governing body must reduce its budget appropriations to reflect the amount of taxes it actually has authority to levy.

Tax levy ballot language sometimes must contain certain wording or statements required by law or must not exceed other limits. For more details, see the *Manual*, or download a copy of the *Tax Election Ballot Measure Manual* (150-504-421).

# The Budget Process





## Appropriations and their use

When the nine budget steps are completed and the new fiscal year begins, the governing body works from appropriations. Amounts listed in the appropriation resolution provide authority to spend public funds in the next 12 months. However, appropriations may be made in broader categories than the detail presented in the budget.

District spending is limited to the schedule of appropriations. But what if it is necessary to exceed original appropriations? This may be done after transferring appropriations or preparing a supplemental budget. There are special provisions for exceeding appropriations due to civil disturbance, fire, flood, earthquake, or other calamity.

### Appropriation transfers

The governing body's spending authority in existing appropriations may be changed by 1) transferring amounts among existing appropriations in the same fund, or 2) transferring from an existing appropriation in one fund to an existing appropriation category in another fund.

Whenever you need to transfer an appropriation, the governing body must enact a resolution or ordinance providing for the transfer. This enactment must be made before any overexpenditure is incurred. Once a transfer is authorized, the expenditures can be made.

### Supplemental budgets

By transferring appropriations, a governing body usually has enough flexibility to carry out the programs prescribed in an adopted budget. But there will be times when an adopted budget gives no authority to make certain expenditures or when revenues are received for which the governing body had no previous knowledge. In these cases it is possible to use a supplemental budget to authorize expenditures or spend additional revenues in a current fiscal year. (There are a few special revenues which may be spent without a supplemental budget.) Supplemental budgets cannot be used to authorize a tax levy.

Local budget law does not contemplate the involvement of the budget committee in adopting supplemental budgets. The governing body may adopt a supplemental budget at a regular public meeting if prior notice is given and the expenditures in the supplemental budget are 10 percent or **less** than of the budget fund being adjusted. If the expenditures are more, the governing body must

publish a summary of the changes in the supplemental budget and hold a special hearing.

Public officials who spend money unlawfully, in excess of authorized amounts or for purposes not provided by law, are civilly liable. The district attorney or a taxpayer may file suit for return of the money.

For more details, see Oregon Revised Statute 294.471 or the *Manual*.



## Audits

The final phase in the budgeting cycle is an audit of the previous fiscal year. This usually is done soon after a new fiscal year begins. Most local governments are subject to Oregon's Local Budget Law. Most of these governments are required to have their accounts and fiscal affairs audited and examined annually.

An audit must be done by the Secretary of State or an auditor certified by the Oregon State Board of Accountancy to conduct municipal audits. The auditor examines financial statements, books, records, and other financial data of your local government. The auditor also will look at any activities that relate to collection, receipt, custody, handling, expenditure, or disbursement of public funds.

Contact the Secretary of State's office, Audits Division for further explanation or questions.



## Biennial budgeting

Local governments may budget either on a one-year (fiscal year) or a two-year (biennial) cycle. The governing body may, by ordinance, resolution, or charter, provide that the budget be prepared for a period of 24 months. The biennial budget period begins July 1 and ends June 30 of the second following calendar year. In brief, the differences between fiscal year budgeting and biennial budgeting are:

1. Members of a budget committee who prepare a biennial budget are appointed to four-year terms. The terms of the members should be staggered so that one-fourth of the terms end each year.
2. The budget estimate sheets containing the estimates of resources and expenditures in a biennial budget must show:
  - Actual expenditures for the two budget periods preceding the current budget period,
  - The estimated expenditures for the current budget period, and
  - The estimated expenditures for the ensuing budget period.
3. The summary of the budget as approved by the budget committee that is published along with the notice of the budget hearing will show the proposed budget for a two-year period.
4. If a taxing district adopts biennial budgeting, the budget committee must approve the amount or rate of ad valorem property taxes for each year of the biennium.
5. After the budget committee approves a biennial budget and before the budget is adopted, the governing body may not increase the amount of estimated expenditures for the biennium in any fund by more than \$10,000 or 10 percent, whichever is greater, and may not increase the amount or rate of the tax levies approved by the budget committee for either year of a biennial budget unless the amended budget document is republished and another budget hearing is held. Once the budget is adopted, the tax amount cannot be increased in the second year.
6. If a district adopts a biennial budget, then after the budget hearing and before the June 30 that precedes the start of the budget period, the governing body must pass a resolution or ordinance to adopt the budget and make appropriations for the ensuing 24-month budget period. The governing body must also pass a resolution or ordinance to levy and categorize property taxes for each year of the ensuing budget period.

7. Whether a budget is for a fiscal year or for a biennium, certification of property tax levies and a copy of a resolution or ordinance levying and categorizing taxes for the ensuing year must be submitted to the county assessor every year by July 15.
8. Districts that must submit their budgets to the Department of Revenue or to the Tax Supervising and Conservation Commission must do so only during the first year of a biennial budget period.



## Questions and answers

### What is a budget committee?

The budget committee is the district's fiscal planning advisory committee. The committee consists of the elected governing body members and an equal number of qualified district voters appointed by the governing body.

### Who can serve on a budget committee?

Any qualified voter of the district appointed by the governing body except officers, agents, or employees of the district.

### Are budget committee members paid for their work?

Budget committee members cannot receive any compensation for serving as committee members. They may be eligible to receive reimbursement for travel or meal expenses that are incurred as a result of meetings or other authorized committee functions.

### How long do members serve?

Citizen budget committee members are appointed by the governing body for three-year terms. Terms are staggered so that approximately one-third of the terms expire each year. Members may be re-appointed for successive terms. If a member resigns, becomes ineligible, or is unable to serve out his or her term of office, the governing body appoints a replacement to complete the term. There is no provision in the law for "alternate" members.

### What if no one will serve on the budget committee?

If the governing body is unable to appoint qualified individuals to vacant positions, the budget committee may function with a reduced number of members. For example, if a five-member governing body, after making a good faith effort to seek qualified citizen members, can fill only three of the appointed positions, the budget committee can function with eight members rather than ten. A majority would then be five instead of six. The membership may not be reduced because governing body positions are currently vacant.

### Who are the budget committee officers?

Only a presiding officer position is required by law. The presiding officer's duties are to chair budget committee



meetings. The chair can be either an elected or appointed member. Some districts may elect a vice chair to conduct meetings in the presiding officer's absence. The committee should also designate someone to be responsible for keeping an official record of its proceedings. All members of the budget committee have the same degree of authority and responsibility.

### **What is the budget committee's main function?**

In a series of public meetings the budget committee meets to review, discuss, make additions or deletions, and approve the proposed budget presented by the local government's budget officer. Upon completion of its deliberations, the committee approves the budget and sets the tax rate or amount needed to balance the budget.

### **What are the rules about budget committee meetings?**

Budget committee meetings are open to the public. A quorum is required to conduct committee business. A majority of the budget committee membership is required to approve any motion.

Minutes of each meeting are kept. The minutes are the official record of budget committee meetings. It is important that minutes are accurate. The budget process is required by law and districts may need to document that the process was in compliance with state statutes. The approval of the final budget document and the rate or amount of tax to be imposed, in particular, should be in the form of motions with the votes recorded in the minutes.

### **What happens at the first budget committee meeting?**

Generally, the budget committee elects a chair and other officers, receives the budget message, hears patrons, sets dates for future meetings, and adopts rules of order. These rules should establish an operating procedure for the budget review process. The committee may adopt Robert's Rules of Order or establish its own. In any event, the budget committee needs to discuss and agree upon a procedure. The committee may not adopt any rule which would allow it to take official action with approval of less than a majority of its members in agreement.

### **What happens at subsequent budget meetings?**

Generally, the second and other subsequent meetings take place at least one week after the first meeting. This practice allows budget committee members to review the proposed budget document. Budget committee members may wish to make arrangements with the district administrator and/or budget officer to visit district operations during this week, make inquiries about specific budget items, request additional information, or indicate areas of interest they believe should be highlighted at future

meetings. In subsequent meetings, the entire budget is reviewed fund by fund and/or section by section.

At least one meeting must provide the opportunity for the public to ask questions and make comments about the budget. Notification of the first budget committee meeting in which public questions and comments will be heard is required in a newspaper of general circulation, by a first-class mailing to every street address or P.O. box in the district, or by hand delivery to every street address. See Chapter 9 of the *Manual* for more detail on publication requirements.

### **How many meetings are required?**

The number of meetings required varies from year to year and with the unit of government. Some districts meet only once, others may need to meet several times. Factors such as the detail in the budget documents, size of the district, number of funds, presentation of the budget, and the personalities of individual budget committee members will result in various numbers of meetings.

### **When will I get a copy of the budget?**

The budget officer provides copies of the proposed budget at or before the first budget committee meeting, when the budget message is presented by the executive officer.

### **What other information is available to the budget committee?**

The budget committee may request any information required during consideration of the proposed budget from any district officer or employee. The budget committee may also require staff members to attend budget committee meetings. Such requests by the budget committee should be made through the chief administrative officer of the local government and/or budget officer.

### **How is the material that is presented by the budget officer at the first meeting prepared?**

The budgeting process is a continuous cycle that generally begins long before the budget committee meets. Each district has its own procedures for budget review and development. In larger districts, each part of the organization may have its own budget preparation process, in which funding requests for the upcoming fiscal year are developed and then "rolled up" into the total agency budget requirements. By the time the budget committee receives the budget message and budget document, many hours of work have been put into budget development. The budget officer coordinates these efforts with district staff and other administrators.

### **What is a quorum? What happens if we don't have a quorum at a budget committee meeting?**

A quorum is one more than half the total number of the members. If a quorum is not present, the members who

are present may discuss committee business, but no action may be taken.

### **What if we have a quorum, but cannot get a majority of the members of the budget committee to approve the budget?**

Any action by the budget committee requires approval by a majority of the entire committee. For example, if the budget committee has ten members, six are present at a meeting (a quorum), but only five of the six present agree with a motion to approve the proposed budget, then the motion does not pass. It is up to the budget committee to negotiate a budget and tax that is acceptable to a majority of its members.

### **May I ask questions other than at budget committee meetings?**

It could be very helpful and a courtesy to other budget committee members if inquiries are not restricted to committee meetings. Checking with the administrator and/or budget officer between meetings allows members to explore budget items of interest in greater detail than might be practical during committee meetings. Questioning also assists the administration/budget officer by giving an indication of concerns, making it possible to highlight issues that may be of interest to the entire budget committee.

### **Can I consult with other budget committee members about details in the budget other than at budget committee meetings?**

Discussion of the budget committee must always take place in the forum of a public meeting. One of the reasons Oregon uses the budget committee process is to ensure public comment and full disclosure of budget deliberations. It is much better to abide by the spirit of the law and hold **all** discussions at budget committee meetings.

### **Can the budget committee add or delete programs or services?**

Generally, the budget committee's role is not to directly establish or eliminate specific programs or services. Standards and budget parameters established by the governing body give the budget officer and administrative staff general guidelines for budget development. The budget officer then prepares a budget which reflects the governing body's parameters. This proposed budget is what the budget committee considers during its meetings. Budget committee influence on programs and services is most often exerted at a higher level, when it approves the overall budget and establishes the tax levy.

Having said all that, if a majority of the budget committee agrees, it can add or delete funding for specific services. Public participation at budget committee meetings may

influence budget committee decisions. However, final authority for administration rests with the governing body. The governing body can make changes after the budget committee has approved the budget, although they may have to re-publish the budget and hold another public hearing to do so.

### **Can the budget committee determine how much an employee is paid?**

The budget committee does not approve new personnel, employee contracts or salary schedules, nor does it negotiate salary contracts.\* However, the adopted salary schedules, negotiated contracts, and other materials that have a fiscal impact on the budget document may be requested for review by the budget committee. Through its authority, the budget committee may direct the administration to make dollar adjustments (increases or decreases) in the proposed budget.

### **What happens after all the sections of the budget are presented?**

After all presentations are made, all patron input received, and all other related issues discussed, the budget committee approves the budget. The approved budget recommends a level of spending for the year. The approved budget document also specifies the full amount of the property tax levy authority that may be certified to the tax assessor. The governing body may reduce the levy, but the rate or amount of the levy approved by the budget committee cannot be increased without republishing the financial summaries. Approval of the tax levy and the budget should be in the form of a formal motion, with the vote recorded in the minutes of the meeting.

### **Does the budget committee have any other duties?**

At the end of the final meeting where the budget is approved, and the tax levy rate or amount is established, the committee's work is finished as far as local budget law is concerned. Local charters may have additional duties. Frequently, budget committee members express a desire to assist the governing body and administration in any public meetings or appearances concerning the budget. The budget committee may be reconvened by the governing body at a later date in the event the financial conditions in the district change. A meeting for this reason is called at the discretion of the governing body and is not a requirement of the local budget law.

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\*Note: ORS 204.126 says the county budget committee or TSCC approves changes in the salary of elected county officials.

### **After the budget is approved by the budget committee and recommended to the governing body, what action does the governing body take?**

The governing body must publish a financial summary of the budget that was approved by the budget committee. The notice of the budget hearing is also published with the financial summary. At the public hearing, the governing body hears any citizen input on the approved budget. The governing body may make additional adjustments to the budget that was approved by the budget committee. Following the hearing and no later than June 30, the governing body must adopt the budget, make appropriations, and set the property tax levy rate or amount. If a property tax is required, the governing body must certify the tax to the county assessor no later than July 15.

### **What if the governing body changes the budget approved by the budget committee in ways that the budget committee does not approve?**

The governing body has that right. However, the amount of the estimated expenditure for each fund may not be increased more than 10 percent unless a summary of the revised budget is again published and another public hearing is held. In addition, the total property tax to be levied may not exceed the amount or rate shown in the budget that was approved by the budget committee and published with the notice of the budget hearing without once again publishing the revised budget and holding another public hearing. Of course, budget committee members are free to attend that hearing and voice their opinions of the changes made by the governing body.

### **What is a supplemental budget?**

Districts may find it necessary to prepare a supplemental budget at some point during the fiscal year. Circumstances under which a supplemental budget is authorized are:

- An occurrence, condition, or need arises which was not known at the time the budget was adopted.
- Additional funds are made available after the budget was adopted.

Although the budget committee is usually not involved with supplemental budgeting, the procedures for supplemental budgets are similar to those for the annual budget. If estimated expenditures are being changed by more than 10 percent, these procedures include a public hearing and publishing a notice and budget summary five to 30 days prior to the hearing.

### **Where can I find the law that governs the creation and operation of budget committees?**

Budget committees are required in Oregon's Local Budget Law. This law is found in the Oregon Revised Statutes (ORS) beginning at ORS 294.305.

These statutes as well as additional information can be found on the Department of Revenue website at [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

### **Where can I direct my questions regarding budget committees?**

Oregon Department of Revenue  
Finance, Taxation and Exemptions  
PO Box 14380  
Salem OR 97309-5075

Telephone: 503-945-8293  
Fax: 503-945-8737  
Email: [finance.taxation@oregon.gov](mailto:finance.taxation@oregon.gov)





## Administration Checklist

- ✓ Gather budget requests.
- ✓ Evaluate budget requests and develop proposed budget.
- ✓ Develop estimates of revenue.
- ✓ Prepare budget proposal.
- ✓ Estimate ad valorem taxes in budget document.
- ✓ Prepare budget message.
- ✓ Publish required notices and budget summary.
- ✓ Provide citizens with information about approved budget.

## Budget Committee Checklist

- ✓ Establish a meeting calendar.
- ✓ At first meeting, elect presiding officer (required) and vice chair (optional).
- ✓ At first meeting, establish budget committee procedural rules.
- ✓ At first meeting, receive budget message and proposed budget.
- ✓ Request information.
- ✓ Make budget documents available to any person.
- ✓ Provide opportunities for citizens to ask questions.
- ✓ Approve motion setting the rate or amount of taxes necessary to balance budget.
- ✓ Approve budget and recommend to the governing body.



## Glossary

Here are some terms you will use as you work on your budget.

**Adopted budget.** The financial plan adopted by the governing body which forms a basis for appropriations.

**Ad valorem tax.** A property tax computed as a percentage of the value of taxable property. See “Assessed value.”

**Appropriation.** Based on an adopted budget, an authorization for spending specific amounts of money for specific purposes during specific periods of time. Presented in a resolution or ordinance adopted by the governing body.

**Assessed value.** The portion of value of real or personal property that is taxable. It is the lesser of the property’s real market value or the constitutional value limit (maximum assessed value—MAV). The value limit may increase 3 percent annually unless qualifying improvements or changes are made to the property. These improvements or changes allow the value limit to increase by more than 3 percent.

**Biennial budget period.** A 24-month period beginning July 1 and ending June 30 of the second succeeding year.

**Budget.** Written report showing the local government’s comprehensive financial plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year.

**Budget committee.** Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters from the district.

**Budget message.** An explanation of the budget and local government’s financial priorities. Prepared by or under the direction of the executive officer or presiding officer of the governing body.

**Budget officer.** Person appointed by the governing body to assemble budget material and information, prepare the proposed budget, and oversee the budget process.

**Capital outlay.** Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings.

**County elections officer.** County clerk or registrar of elections.

**District.** See “Local government.”

**Expenditures.** Decreases in net financial resources if accounts are kept on an accrual or modified accrual basis; total amount paid if accounts are kept on a cash basis.

**Fiscal year.** A 12-month period beginning July 1 and ending June 30.

**Fund.** A division in a budget segregating independent fiscal and accounting requirements. An entity within a government’s financial plan designated to carry on specific activities or to reach certain objectives.

**Governing body.** County court, board of commissioners, city council, school board, board of trustees, board of directors, or other governing board of a local government.

**Line-item budget.** The traditional form of budgeting, where proposed expenditures are based on individual objects of expense within a department or division.

**Local government.** Any city, county, port, school district, public, or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission.

**Municipality.** See “Local government.”

**Ordinance.** Written directive or act of a governing body. Has the full force and effect of law within the local government’s boundaries, provided it does not conflict with a state statute or constitutional provision. See also “Resolution.”

**Organizational unit.** Any administrative subdivision of a local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division).

**Payroll expenses.** Health and accident insurance premiums, Social Security and retirement contributions, and civil service assessments, for example.

**Permanent rate limit.** A district’s permanent ad valorem property tax rate for operating purposes. This rate levied against the assessed value of property raises taxes for general operations. Permanent tax rate limits were either computed by the Department of Revenue for districts existing prior to 1997–1998 or are voter-approved for districts formed in 1997–1998 and later.

**Program.** A group of related activities to accomplish a major service or function for which the local government is responsible.

**Property taxes.** Amounts imposed on taxable property by a local government within its operating rate limit, levied under local option authority, or levied to repay bonded debt.

**Proposed budget.** Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review.

**Real market value.** Value at which a property would be sold by an informed seller to an informed buyer on the appraisal date. Value set on real and personal property as a basis for testing the (Measure 5) constitutional limits.

**Reserve fund.** Established to accumulate money from one fiscal year to another for a specific purpose.

**Resolution.** A formal expression of will or intent voted by an official body. Statutes or charter will specify actions that must be made by ordinance and actions that may be by resolution. (For cities, revenue raising measures such as taxes, special assessments, and service charges always require ordinances.) See “Ordinance.”

**Resources.** Estimated beginning fund balances on hand at the beginning of the fiscal year, plus all anticipated revenues.

**Revenues.** Monies received or anticipated by a local government from either tax or nontax sources.

**Supplemental budget.** Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. Cannot be used to increase a tax levy.

**Tax levy.** Taxes imposed by a local government unit through a rate or amount.

**Transfers.** Amounts distributed from one fund to finance activities in another fund. Shown as a requirement in the originating fund and a revenue in the receiving fund.

**Unappropriated ending fund balance.** Amount set aside in the budget to be used as a cash carryover to the next year’s budget, to provide the local government with a needed cash flow until other money is received. This amount cannot be transferred by resolution or used through a supplemental budget during the fiscal year it is budgeted unless there is a significant calamity or natural disaster.

## Where to get help preparing your local budget

Finance, Taxation and Exemptions..... 503-945-8293  
Email .....finance.taxation@oregon.gov

Each year the Department of Revenue makes available a booklet that contains forms and instructions for summarizing your district's budget for publication and certifying the tax levies to the assessor. These forms meet the minimum requirements of local budget law and are free of charge.

The forms are available each year beginning in January on the department's website at [www.oregon.gov/dor](http://www.oregon.gov/dor).

The booklet is available upon request by contacting the Finance, Taxation and Exemptions Unit by telephone, email, or at the address below. If you would like a copy sent to you, please request your copy no later than November 15.

Finance, Taxation and Exemptions Unit  
Oregon Department of Revenue  
PO Box 14380  
Salem OR 97309-5075

Your district may also computer-generate the budget detail and publication forms based upon your district's own computer formatting.

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## Have questions? Need help?

**General tax information**.....[www.oregon.gov/dor](http://www.oregon.gov/dor)  
Salem..... 503-378-4988  
Toll-free from an Oregon prefix.....1-800-356-4222

### Asistencia en español:

En Salem o fuera de Oregon..... 503-378-4988  
Gratis de prefijo de Oregon ..... 1-800-356-4222

**TTY (hearing or speech impaired; machine only):**  
Salem area or outside Oregon ..... 503-945-8617  
Toll-free from an Oregon prefix..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers above for information in alternative formats.