

***City of Klamath Falls***  
***Adopted Budget***  
***2011-2012***

***Mayor: Todd Kellstrom***

**MEMBERS OF THE BUDGET COMMITTEE:**

**City Council**

**Trish Seiler**

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**Starla Davis**

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**Sean Ferns**

**Marty Ledgerwood**

**Greg Williams**

# Table of Contents

|   |       |
|---|-------|
| Budget Message.....   | I-VII |
| Transmittal Letter.....   | 1     |
| The Local Community .....                                       | 4     |
| Klamath Falls City Council Vision Statement.....                | 5     |
| Klamath Falls Organizational Chart.....                         | 6     |
| 2011-2012 Schedule of Budget Events .....                       | 7     |
| Budget Process .....  | 8     |
| Description of Budgeted Categories .....                        | 9     |
| Revenue Sources Descriptions and Assumptions .....              | 11    |
| Revenue Sources vs. Appropriations Comparison - Pie chart ..... | 12    |
| Revenue Allocation Chart .....                                  | 13    |
| Schedule of Net Working Capital.....                            | 15    |
| Schedule of Transfers .....                                     | 16    |
| Overall Staffing Comparison .....                               | 17    |
| Capital Projects Budgeted for Fiscal Year 2011-2012 .....       | 18    |
| <b>Departmental Budgets</b>                                     |       |
| General Fund.....   | 19    |
| Police .....  | 21    |
| Code Enforcement .....  | 25    |
| Municipal Court .....   | 28    |
| Other General Fund Programs.....                                | 31    |

*Continued on next page*

**General Fund Continued**

Maintenance Service ..... 34  
Legislative ..... 37  
Legal ..... 40  
City Manager ..... 43  
Finance/Risk ..... 46  
Human Resources/Risk ..... 49  
Information Systems ..... 52  
Community Development - Planning ..... 55  
Public Works/Engineering ..... 58

**Fund Budgets**

Airport Fund ..... 62  
Parks Fund ..... 68  
Street Fund ..... 73  
Parking District Fund ..... 81  
Street Lighting Fund ..... 85  
Wastewater Fund ..... 91  
Water Fund ..... 98

**Other Funds** ..... 107

**Inactive Funds** ..... 119

**REVISED BUDGET MESSAGE**  
**FISCAL YEAR 2011-2012**  
**[REFLECTING BUDGET COMMITTEE CHANGES FROM JUNE 1, 2011]**

Members of the City Council, Citizen Members of the Budget Committee and Citizens of Klamath Falls, Oregon:

In accordance with local budget law (ORS 294.391) and the City Charter, a proposed budget for Fiscal Year 2011/2012 is submitted for your review and approval. The City's total proposed appropriations for the upcoming year are \$45,573,375 not including Contingency and Unappropriated funds. This is a decrease of \$3,605,550 compared to current year (FY 2010/2011) appropriations of \$49,178,925, net of Contingency and Unappropriated. The reason for the significant decline is the completion of some major capital projects, including the Airport runway 14-32 rehabilitation project, the remodeling of the new police department building, and other less significant capital projects completed during the year. I would like to thank all the City Staff with budget responsibilities for their hard work in controlling their budgets while maintaining services to our public.

**BUDGET OVERVIEW**

Overall, the City is experiencing uncertain financial times together with the rest of the country. Due to fairly flat revenue projections and increases in expenditures related to the cost of fuel, retirement funding and health insurance, we are currently in a budget "tightening" mode, in which we need to reduce expenditures in order to maintain stability in the coming fiscal years. The County Assessor's Office has informed us that the 3% to 5% increases in property taxes that we have experienced in the past will not continue, at least not in the near future. For this budget, and based on the Assessor's projections, we are estimating a 1.6% increase in property tax revenues, which is just over one-half the Oregon Constitutional maximum of 3%. This projection includes the "step" increases in the tax base brought about by a series of consent annexations that occurred in 2009. These annexations included a 5-year phase-in of City taxes. With the exception of gas taxes, which have increased due to statewide tax increases, the City's other revenue sources, such as franchise fees and State tax revenues, have remained relatively stagnant. In the event the economy does not recover over the next few years, we could very well experience severe budget problems, unless we implement even more conservative spending practices, or as yet unidentified replacement funding sources become available. Because of this concern, we are proposing a work session with the City Council, City staff and the citizen members of the Budget Committee in August of this year to discuss the continuing decline in carryover reserves and budgetary priorities.

Revenues in the proposed budget are estimated to be about the same or lower than the previous year in almost every fund. Fortunately, past conservative budgeting, the existence of reserve funds and our relative lack of financial dependence on continued growth mean that the City of Klamath Falls is not facing the same degree of severe budget impacts being experienced by units of local government in other communities throughout the State, including Klamath County. Looking at the out-year budget estimates, however, it will be increasingly difficult to meet current service levels for the community absent an economic recovery or some growth in the City's tax base.

This budget reflects increases in Personal Service costs related to retirement funding and health insurance rates. The proposed budget includes an estimated 10% increase in Teamsters health insurance premiums effective 1/1/2012, and a 2.5% increase in health insurance premiums for AFSCME and non-represented employees. The proposed budget also includes a 41.9% rate increase for Tier One and Tier Two plan participants. This increase raises the City's total contribution from 10.86% of eligible salaries to 15.41%. For OPSRP plan participants, the budget includes a 19.5% increase for sworn officers (from 11.68% of eligible salaries to 13.96%) and a 25.4% increase for other employees (from 8.97% of eligible salaries to 11.25%). Budgets for the last few years have included deposits into the PERS Reserve Fund to soften the impacts of these increases. In this budget, we have proposed reimbursements from the PERS Reserve Fund in amounts equal to about one-half of the balance of the Reserve Fund, preserving the remainder to offset PERS costs in the next fiscal year.

The City is currently in negotiations with both the Teamsters and AFSCME bargaining units regarding salaries, benefits and other contract terms. The City and the Unions have agreed not to publicly discuss the status of the negotiations until they are complete. To address employee compensation issues this year, the City completed a Compensation and Classification study to determine how City wages for specific jobs compare to other comparable cities in Oregon. The results of these studies are being used in collective bargaining sessions to provide a realistic and objective perspective on wages and to help guide the bargaining process. The Class and Comp study and the work products of the bargaining sessions will also help shape the compensation adjustments given to non-represented employees.

## BUDGETING PRINCIPLES

In preparing this proposed budget, staff was guided by the following general principles, among others:

- The City's budget must reflect the priorities of our citizens and the direction of the City Council. The City budgets funds in three primary categories:
  1. Providing basic services to the public, which is the main reason City Government exists. Public safety remains a top priority of our citizens and the Council.
  2. Maintaining current City Assets and infrastructure. As stewards of public funds, we need to take care of what the City has invested in.
  3. Investing in capital improvements to maintain and improve our delivery of services to the public.
- Across-the-board cuts are not the best way to cut costs. These result in spreading scarce resources in broad, unfocused ways.
- Cost reductions are best achieved through examining operations and making cost-effective reductions in areas that only minimally impact the delivery of services. As a result, budget reductions may impact some departments more than others.
- While the City is looking at all vacant positions as opportunities for cost reductions, we will not allow divisions that have been reluctant to fill vacancies to be convenient targets to bear the brunt of cost reductions. To that end, we examined all operations that have vacancies to determine on a case-by-case basis whether there is an operational need to refill those positions.
- Reductions in support and administrative functions should be in proportion to reductions in operating programs, but not to the extent that would curtail the delivery of basic City services or the ability to meet legal requirements.

## REVENUE PROJECTIONS AND ALLOCATIONS

**Property Tax Revenues:** For FY 2010/2011, the Proposed Budget is based on the City's permanent property tax rate of \$5.4423 per \$1,000 of assessed value, before tax rate compression. For FY 2010/2011, we experienced a small increase in tax roll assessed value. The current year budget (FY 2010/2011) projected a 2½% increase in tax revenues, but our current numbers reflect only a 1.8% increase. For this budget year we have conservatively projected a 1.6% growth in property tax revenue with a 90% collection rate (the same as last year). Given these projections, the budget includes property tax collections totaling \$6,411,075, including the General Obligation Bond levy of \$205,525, that will be allocated as follows: Police Department, \$, 4,680,075 (73.0%); Parks Fund, \$729,700 (11.38%); Airport Fund, \$328,350 (5.13%); Debt Service Fund, \$205,525 (3.21%); and other General Fund divisions, \$467,425 (7.29%). Given the current state of

the economy and the slow recovery being predicted, it is reasonable to assume that we will experience an even slower rate of tax growth and further declines in the collection rate beginning in FY 2012/2013 and beyond.

**Intergovernmental Revenues:** This year, tourism appears to have picked up in the Klamath Basin, and the City's Transient Room Taxes (TRT or "Hotel/Motel Taxes") have increased more than 30%. The Airport receives 75% of the TRT with the Parks Fund receiving the remaining 25%. State shared revenues, or "Sin Taxes" such as Liquor and Cigarette taxes and the City's State Revenue Sharing allocation, will all be decreasing in the proposed budget. Liquor tax receipts are expected to decrease 13% (\$11.94 per City resident versus \$13.71 per resident this fiscal year) as will State Revenue Sharing. State Revenue Sharing funds are another form of liquor tax revenue from OLCC that is not based on a per capita formula, but the allocation tends to closely follow the Liquor tax trends. Cigarette tax revenues are projected to decrease about 3% (\$1.45 per City resident versus \$1.49 per resident this fiscal year). Gas taxes, which by law are allocated 100% into the Street Fund, are projected to increase almost 14% due to the increase in the State gas tax (\$56.40 per City resident versus \$50.61 per resident this fiscal year). One percent of the gas tax revenues must go into the Pedestrian Footpaths/Bike Trails Fund and use of the funds is restricted for those purposes. The projected Intergovernmental Revenues total about \$6,793,225, including various grants and County Road funds, and the total revenues are allocated as follows: Street Fund, \$3,419,050 (50.33%); Airport Fund, \$1,741,200 (25.63%); Police Department, \$493,575 (7.27%); Parks Fund, 350,500 (5.16%); Wastewater Fund, \$343,200 (5.05%); Street Lighting Fund, \$318,550 (4.69%); and other, \$127,150 (1.87%).

**Franchise Fees:** Franchise fees have remained relatively stagnant. We expect fees from Pacific Power, our largest source, to increase about 1%, or \$9,247, in FY 2012 due to rate increases. Qwest franchise fees continued to decline this fiscal year as people increasingly convert to cell phones, and we have budgeted a 10% decrease. Avista and Charter Cable franchise fees are projected to increase by 3% and .5%, respectively. Overall, we are anticipating an increase of only .92% for all Franchise Fee revenues. The proposed budget projects Franchise Fee revenues totaling \$1,997,559. These revenues are allocated as follows: Police Department, \$937,250 (46.92%); Street Fund, \$749,850 (37.55%); Street Lighting Fund, \$251,675 (12.6%); and other General Fund divisions, \$58,400 (2.93%).

### PERSONNEL CHANGES

Regarding personnel changes, the proposed budget will reduce the total employee head count by six FTEs. The Planning and Utility Billing Divisions, and the Finance and Police Departments, will *each* reduce one FTE due to attrition (a total of four FTEs). The PD will also be eliminating its Civilian Aide position and one Police Clerk position, and Code Enforcement will be eliminating one Code Enforcement Technician position (a total of three FTEs). The City Attorney's Office and Engineering Division were proposing to share one new employee, but have withdrawn that request at the

suggestion of the Budget Committee. With the assignment of one Maintenance employee full time to the Police Department, the Maintenance Department is proposing to add an employee. All of these changes result in a net personnel decrease of six FTEs.

### **SPECIFIC FUND COMMENTS**

At the end of FY 2011/2012 (the period of the proposed budget), the General Fund is projected to have an ending fund balance carryover of \$3,027,550, which is 25.13% of proposed operating expenditures. This projected carryover is largely attributable to City departments significantly controlling spending, combined with a larger than projected carryover at the end of this fiscal year, which is a result of revenues being slightly higher than budgeted for FY 2010/2011 and conservative spending by City Departments. A significant level of General Fund reserve will be important in the future to protect the City from the effects of a slow economic recovery.

The proposed Police budget of \$6,628,500 represents 55.02% of the General Fund expenditures and it exceeds the estimated total of the *General Fund* property taxes by \$1,948,425. The PD budget also exceeds the *total* estimated property tax revenues by \$217,425. Included in these appropriations is a debt service payment (Transfer Out) of \$296,300 to cover the Full Faith and Credit portion of the bond payments issued for remodeling the new Police station. The budget includes \$39,500 in support of a proposed new detox center operated by BestCare Treatment, which will hopefully begin operation in January 2012, and the refurbishment of 10 vehicles to restore an aging fleet. The vehicle refurbishment will be funded with a capital loan and repaid over a 2-year period, resulting in reduced capital costs over the next few years and substantial savings in repairs and maintenance. With the proposed expenditures and the new facility, City taxpayers will continue to enjoy excellent police protection.

The allocation of property taxes to the Parks Fund will be \$729,700 for FY 2011/2012, which represents 11.38% of the overall property taxes. The Parks allocation has historically been 10%. With the sale of Klamath Memorial Park Cemetery in 2009, and the transfer of the two Cemetery employees to Parks, the Cemetery Fund portion of property taxes was, at the direction of City Council, added to the Parks Fund in FY 2010/2011 making a total of about 13% of property taxes available for expenditure. The 13% allocation was, however, reduced in the proposed budget to fund some higher priority General Fund services. The Parks Fund also receives \$103,600 (25%) of the City's share of the Transient Room Tax ("TRT"). In addition to the property taxes and TRT revenues, the Parks Fund also receives the 6% rate surcharge on water billings. After about 12 years of bearing the full cost of operational expenditures for the Ella Redkey Pool, the Jeld-Wen Foundation is asking that the City begin assuming a portion of the financial responsibilities for the pool. Under a proposed agreement with the Foundation, the City will assume responsibility for 1/3 of the net operational and capital costs in FY 2011/2012, 2/3 in FY 2012/2013 and the City will assume full operational responsibility in FY 2013/2014. The

proposed budget includes about \$42,000 in pool operational costs. The funding from the Foundation rescued this significant community asset from almost certain destruction, and we extend our sincere thanks to the Foundation for its generous support of the pool over the past 12 years.

City property taxes allocated to the Airport for FY 2011/2012 are \$328,350 (about 5.12% of overall property taxes), which is a decrease from FY 2010-2011 of about \$188,525. This reduced allocation is due in large part to the funding of runway litigation expenses with funds from the Escrow Reserve Fund in the amount of \$226,000. In addition, \$310,750 (75%) of the City's share of the Transient Room Tax is also allocated to the Airport budget. The runway rehabilitation project was initiated in 2009 and was largely completed in the fall of 2010. Unfortunately, the City began experiencing problems with the 2009 runway work in March 2010, ultimately causing the City to file suit against the contractor to enforce the City's contractual rights to get the runway repaired. The litigation remains pending. Commercial ridership at the Airport has declined consistent with impacts of the national economy and the slowdown of business and recreational travel. Currently, SkyWest Airlines maintains two daily flights to San Francisco and one to Portland. Based on solid seat counts and the profitability of the Portland flight, we are hopeful SkyWest will add an additional Portland flight later this year.

Regarding capital expenditures, the Public Works Department continues to maintain and update its five-year Capital Improvement Program ("CIP"). Capital needs identified in the CIP have been funded in FY 2011/2012 to the extent possible within the constraints of available resources. During the upcoming fiscal year, staff and Council will need to continue to pursue alternative sources to meet unfunded needs, or identify cost saving measures to decrease operations expenditures, if alternative resources cannot be identified. The alternative sources will include pursuing grants and other types of funding, as well as reviewing rate and fee structures. Projects unable to be funded will be deferred to future years.

Funding for the Street Fund consists of Gas Taxes in the amount of \$1,082,550, Federal Forest Shared Revenues in the amount of \$951,450, County Road Fund capital contribution in the amount of \$177,000 and CMAQ (Congestion Mitigation and Air Quality) funds in the amount of \$483,450. The Street Division proposes to pave about 3.5 miles of unimproved roads with the CMAQ funds, and the Division will also be resurfacing a number of City streets and chip-sealing various streets to increase the useful life of the pavement. The proposed budget also reflects a *possible* fund exchange with the County to support County jail operations, contingent on Council approval of the transaction. The FY 2013 budget reflects the end of the annual County distribution of Secure Rural Schools (formerly Federal Forests Receipts) funding to the City in 2012. Until then, the City annually receives \$150,000 from the County, which is used by the City for operations.

Adequately funding the Capital needs of the Wastewater system and meeting our bond rate covenants is a continuing challenge. The current master plan for the Wastewater Fund has identified up to \$47,000,000 in repairs and upgrades to the existing treatment plant. A 36% rate increase was initiated in FY 2009/2010 as a start to the Capital funding that will be needed to issue bonds to fund the upgrades. The proposed budgeted revenues reflect Council's decision not to impose an authorized 17% rate increase in January 2011, and a recommendation of the Budget Committee to increase the rates by 5%, plus the CPI (estimated at 1.5%) in January 2012. In addition to the facility upgrades, the Division has been addressing the upcoming TMDL (Total Maximum Daily Load) compliance regulations through an 8% dedicated rate increase approved seven years ago on July 1, 2004. The final TMDL's were issued in December of 2010, and the City, together with several other community stakeholders filed Petitions for Reconsideration with DEQ, which DEQ has granted. Acceptance of the Petitions does not change the TMDLs, but will afford DEQ an opportunity to seriously consider the concerns raised by the stakeholders and to potentially modify the TMDL to address those concerns. The stakeholders remain hopeful that DEQ's acceptance of the petitions will foster additional and productive discussions to resolve the stakeholders' significant concerns about the development and future implementation of a reasonable and proportional Klamath River TMDL. Once the TMDL order is finalized, the City hopes to have five years from date of final adoption to bring our facilities into compliance.

The Water Fund is in relatively stable condition. Water revenues for the first six months of FY 2011 were down about 3.7% (\$141,585) compared to FY 2010, and Cogeneration Plant cooling water usage for the first ten months was down about 48.9% (\$180,644) compared to FY 2010. The proposed budget reflects revenue decreases consistent with the reductions we are observing this fiscal year, and includes an estimated CPI increase of 1.5% in January of 2012. The Geothermal Division also remains in relatively stable condition, and it is experiencing unprecedented earnings due to unseasonably cold weather. Both entities continue to work on replacing aging pipelines throughout the systems.

### **CONCLUSION**

Overall this is a very tight budget, but it does maintain expected service levels for our citizens for this fiscal year. Given the ongoing stagnant revenues and steadily increasing costs, we have much to do in thoughtfully planning how to maintain adequate service levels in the coming years.

Respectfully Submitted,

Rick Whitlock  
City Manager

**City of Klamath Falls Finance Department  
Transmittal Letter  
FY 2011-2012**

To the Governing Body, City Manager, and Citizens of Klamath Falls:

This transmittal letter includes additional information, some not found elsewhere in the Budget. The intent is to provide readers of the Budget document with a clearer understanding of budget policies, accounting techniques, and various City undertakings.

This budget has been prepared using several assumptions. Personal Services was prepared using assumptions based on the Classification and Compensation study. If there are increases actually given they will be the result of union negotiations and City Council approval. A 6% increase in health insurance premiums for AFSCME and exempt employees was first budgeted, but the actual increase was closer to 2.5% netting the City an approximate \$11,000 over the course of the next year. PERS increased an average of 4.55% of salary on the Tier One and Tier Two employees while the OPSRP increase was 2.28% of salary.

Investment Policy

The City investment policy stresses, in order, safety, liquidity, and return. Interest estimates for this Budget use a .5% average earnings rate. We have been unable to acquire investments yielding greater than 1% in the current market. All operating investments of the City follow the guidelines set forth in ORS 294 as it relates to allowable investments and maturity.

Budget Policies

According to the City's Financial Policies, the City will live within its means and strike a balance between revenues and expenditures where possible, so that the public can realize the benefits of a strong and stable government. This Budget has been prepared under a premise of sustainability. The budget policies also state that a five-year Capital Improvement Program (CIP) will be prepared and updated each year. In addition, capital improvements in the enterprise funds are to be funded from utility rates unless otherwise approved by Council.

Debt Management Policy

It is City Policy to fund capital projects, when possible, with existing revenues and grant funds. In the case of the Water, Wastewater, and the Airport Funds, the City Council deemed it essential to incur long-term debt. The City has used long-term debt to upgrade those facilities and bring the infrastructure to a standard that will encourage economic development and promote public safety.

Further, it is City Policy to maintain total general obligation debt at one percent or less of the City's assessed value. The City has accomplished this goal since staff began tracking debt to assessed value in June of 1989.

Fund Balance Policy

The City's Fund Balance Policy is to maintain a minimum fund balance of 20% of the annual operating expenditures in the General Fund; a minimum of 10% of annual operations in the special revenue funds receiving property tax support; and only the amount needed to fund anticipated future expenditures in the other funds. In the new Financial Policies approved by City Council in May 2011, a minimum fund balance of 15% was established for the Enterprise (Water and Wastewater) Funds. The General Fund 2011-2012 reserves are approximately 19% of the total appropriations.

Personnel Update

The City will reduce one FTE in 2011/2012. The Planning and Utility Billing departments each will reduce one FTE due to attrition and the City Police Department will lose its civilian aide. The City Attorney and Engineering departments will share one new position, which was filled by an outside contractor in the prior year, and the maintenance department will also add a position resulting in a net decrease of one FTE.

Performance Measures

Individual departments use goals established in previous years as a basis for establishing their work plan for the year. Staff will focus on measures that indicate a wise use of funds while attaining other City goals.

Basis of Accounting

The City of Klamath Falls utilizes the modified accrual basis of accounting for monthly reporting purposes and adjusts to the full accrual method of accounting to report on its financial position along with the results of its operation at the fiscal year end. Under this method, revenues are recognized when earned, not when received and expenditures are recorded when the liability is incurred, not when the cash disbursement takes place. All

Governmental and Proprietary Funds, use the modified accrual basis of accounting for budgeting. All fixed assets and all long term debt have been recorded in the responsible fund.

Budgetary control is maintained through the use of appropriations, which include the categories of Personal Services, Materials and Services, Capital Outlay, Debt Service, and Contingency. Meetings with departments allow time for review should a department indicate expenditures are likely to exceed City Council authorization. In addition, for Funds having budget difficulties, the Finance Department and department supervisors perform mid-year in-depth financial analysis of specific cost centers to ensure that spending has not exceeded earlier estimates. Finally, approval for expenditures over \$20,000 requires action from the City Council.

Conclusion

The City endeavors to employ continuous improvement methods in all of the various functions of government. This promotes the efficient use of its time, public money, and its people. City staff looks forward to the challenges ahead, with a desire to provide the highest level of municipal service to the citizens of Klamath Falls.

Phyllis Shidler  
Finance Director

## ***THE LOCAL COMMUNITY***

Population: City 21,480, Urban Growth area approximately 20,600. Total area about 42,080.

Date of Incorporation: 1905

Form of Government: Council/Manager

Recreation: 21 parks (excluding roadway greenways) covering 674 acres.

Bond rating: A+ for the General Obligation Bonds and AAA with the purchase of insurance for the Full Faith and Credit Bonds. The City has been notified by the rating agencies that its bond rating will be adjusted over the next year to be comparable with the private sector.

Transportation: The City is served by the Burlington Northern-Santa Fe Railroad, Union Pacific Railroad, and Amtrak. Passenger vehicles and truck lines have easy access through the City along U.S. Highway 97 and Oregon Highways 140, 66 and 39. Interstate 5 is 59 miles to the west along Highway 66. The City owns the airport, where Sky West has been providing daily flights to Portland International and San Francisco.

Education: The Oregon Institute of Technology, the only public polytechnic institute in the Pacific Northwest, is a four-year, accredited college located in Klamath Falls. OIT serves approximately 3,400 students at its main campus. It offers both bachelor's and master's degree programs. Klamath Community College was established in 1996 as a local community college. It offers a two year associate's degree program and a variety of community courses as well as a transfer program to local four-year institutions.

Currently the community is faced with high unemployment and a slowdown in local business. Housing sales have recently shown a slight increase but prices remain depressed. As in the rest of the Nation, foreclosures continue to dominate the market.

## CITY OF KLAMATH FALLS - 2011

### CITY COUNCIL

#### VISION STATEMENT

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

#### MISSION

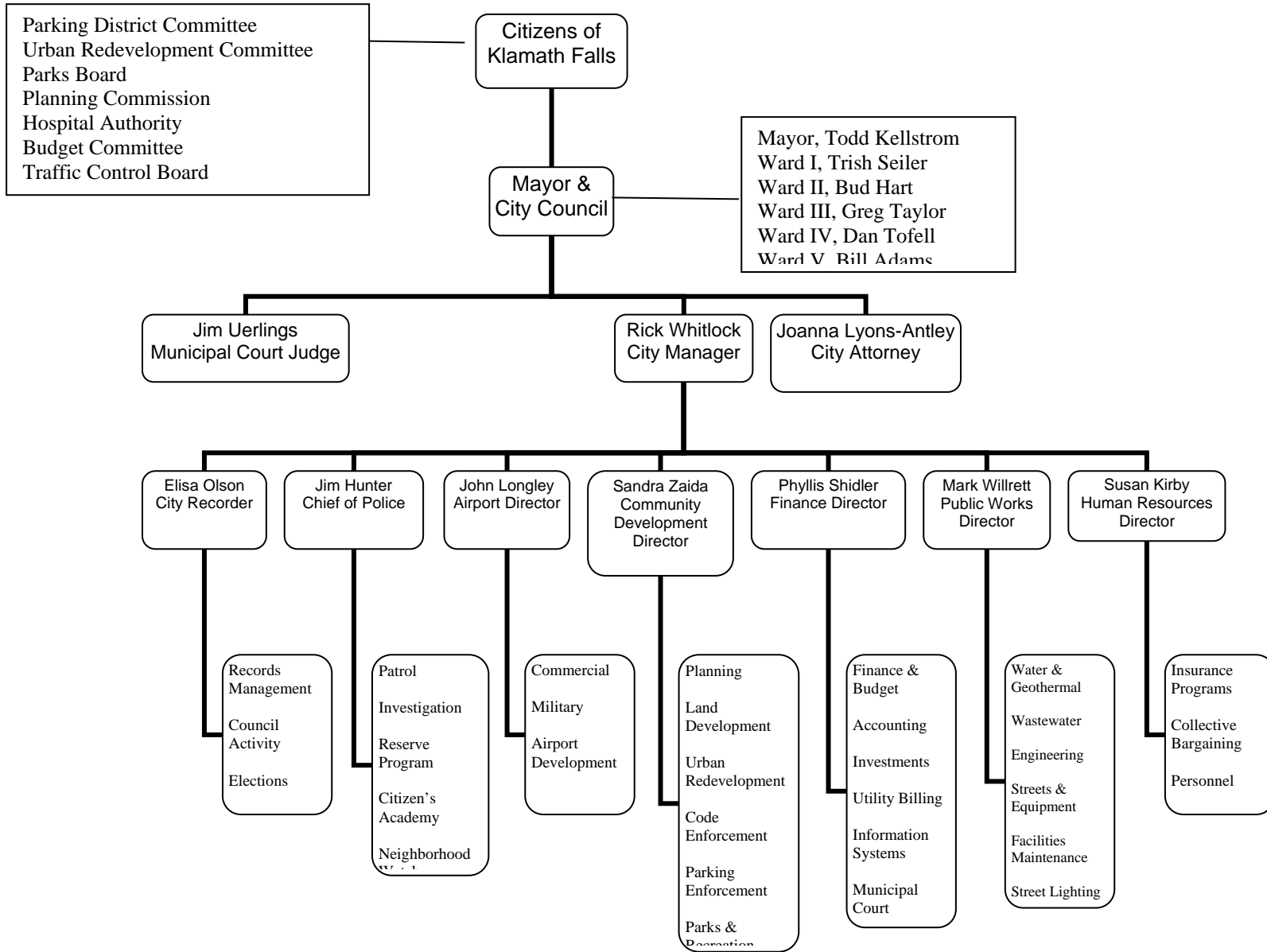
To further the vision, the City of Klamath Falls provides essential services and infrastructure to promote the social and economic health of the community. The role of the City Council is to provide the leadership necessary to fulfill this mission.

#### VALUES

1. Integrity: We hold ourselves to the highest standards of honesty and accountability.
2. Stewardship: We utilize community resources in the most cost-effective manner.
3. Open and Responsive: We seek to educate and involve citizens in an open and public process of governing.
4. Workplace Environment: We provide a safe, positive and productive workplace for our employees.
5. Public Health and Safety: We promote a safe community by providing water, wastewater treatment, police protection, planning and code enforcement.
6. Economic Stability: We support the economic health of the community, job opportunities for our citizens and the success of local businesses.
7. Innovation: We value and promote strategic, proactive and creative approaches in meeting the needs of our citizens.
8. Partnership: We further the interests of the community through collaboration with other governmental organizations and the private sector.

# CITY OF KLAMATH FALLS

## Organizational Chart



# FY 2011-2012 SCHEDULE OF BUDGET EVENTS

**May 11<sup>th</sup> and May 25<sup>th</sup>, 2011** Notice of Budget Committee Meeting published twice in the Herald & News, separated by no less than 5 days with first publication being no later than 30 days prior to the meeting and the final publication being no earlier than 5 days prior to the meeting.

**May 25<sup>th</sup>, 2011** Proposed Budget distributed to Budget Committee Members and copies available for the public to view.

**June 1<sup>st</sup>, 2011** Budget Committee Meeting, City Hall, 9:00 a.m.

**June 22<sup>th</sup>, 2011** Notice and Summary of 2011-2012 Approved Budget published in the Herald & News (5-30 day notice).

**June 27<sup>th</sup>, 2011** City Council Public Hearing to adopt Budget for fiscal year 2011-2012.

# The Budget Process

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

**2. Prepare Proposed Budget.** The budget is prepared under the direction of the City Manager. **ORS 294.331**

**3. Publish Notice of Budget Committee Meeting.** The notice of budget committee meeting is published twice in the Herald and News separated by no less than 5 days with the first publication being no later than 30 days prior to the meeting and the final publication being no earlier than 5 days prior to the first meeting. **ORS 294.401**

**4. Budget Committee Meets.** When the proposed budget is provided to the budget committee members, it then becomes a public record and a copy is available for public inspection at City Hall (500 Klamath Ave). The proposed document can be distributed at any point prior to the first meeting. The budget message, which is delivered at the first meeting, explains the proposed budget and significant changes in the City's financial position. The budget committee may meet as many times as necessary to go through the budget and make any revisions they deem appropriate. Budget committee meetings are open to the public. **ORS 294.401**

**5. Budget Committee Approves Budget and Authorizes the Levy of taxes.** When the budget committee is satisfied with the proposed budget, including any revisions, it is then approved. **ORS 294.406**

**6. Budget Summary & Notice of Budget Hearing Published.** After the budget has been approved by the budget committee, a budget hearing must be held and a summary of the budget must be published in the Herald and News 5 to 20 days prior to the scheduled hearing.

**7. Budget Hearing.** The purpose of the budget hearing is to listen to citizens' testimony on the budget approved by the budget committee. **ORS 294.430**

**8. Adopt Budget, Make Appropriations & Levy Tax.** The resolution to formally adopt the budget must occur no later than June 30. This resolution, when signed, gives the City the authority to spend the funds appropriated in the Proposed Budget beginning with the new fiscal year (July 1) **ORS 294.555**

**9. File Budget & Certify Levy.** The City must deliver two copies of the Proposed Budget to the County Assessor for filing and certification of the tax levy by July 15. **ORS 294.555**

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

TRANSFERS - Appropriation transfers are enacted by a Resolution and can only be made within the same fund or from the general fund to another fund. Transfers can now be made from any fund to any other if authorized by resolution.

SUPPLEMENTAL BUDGETS – The City may amend the current budget by adopting a supplemental budget at a regular public meeting which was published not less than 5 days prior if the expenditures being adjusted are less than 10% of the annual budget of the fund being adjusted. If the expenditures are greater than 10%, the supplemental budget must be published and a special hearing held. **ORS 294.480**

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

# City of Klamath Falls

## Description of Budgeted Categories

| Budget Category            | Description with actual examples and/or (definition)  |
|----------------------------|---|
| Fund                       | An independent accounting entity with its own self-balancing set of accounts. More specifically a “fund” is like a small company or business that is separated from, and only indirectly related to, the other funds of the City.   |
| <b><u>RESOURCES</u></b>    |   |
| Net Working Capital        | Cash, investments and receivables net of payables carried forward from previous year.   |
| Taxes                      | Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against a particular person’s property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying the charges, such as water and wastewater service charges. |
| Special Assessments        | A compulsory levy made against a property to pay for all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.   |
| License/Permits            | Occupational Licenses, Amusement Licenses, Alcoholic Beverages Applications that authorize an activity in compliance with city code.  |
| Intergovernmental Revenues | Receipts including grants from other governmental agencies such as the County, State, or Federal Government.  |
| Franchise Revenues         | A City charge against the gross revenues of utility companies that service the residents of the City. These payments include electricity, natural gas, telephone, cable TV, and solid waste disposal.   |
| Fines & Forfeits           | Municipal Court, Police Training Fund; Nuisance Abatement; Parking Fines; Drug Enforcement.   |
| Investment Income          | Income earned from investing surplus cash to enhance the City’s financial position.   |
| Other Financing Sources    | Includes proceeds from the disposition of general fixed assets; and resources provided from issuance of general long term debt.   |

# City of Klamath Falls

## Description of Budgeted Categories

| Budget Category            | Description with actual examples and/or (definition)   |
|----------------------------|--|
| Unfunded Capital           | In future years, this is the amount of capital identified in the Capital Improvement Plan that is currently not fundable with projected revenues. The City will be seeking resources such as grants to fund such improvements. If funding does not become available, the capital will be deferred until such time as resources become available. |
| Unfunded Operations        | In future years, this is the amount of operation and maintenance expenditures that exceed projected revenues. During the fiscal year, staff will work to identify revenues and cost saving measures to address the shortfall.  |
| <b><u>REQUIREMENTS</u></b> |  |
| Personal Services          | Salaries, Overtime, Seasonal & Temporary, and associated fringe benefits such as Social Security, PERS Retirement, Health and Life Insurance.  |
| Materials & Services       | Costs such as Utilities, Parts & Supplies, Professional Services, Training & Education, Insurance, Postage, Small Tools & Equipment, Repairs & Maintenance, etc.   |
| Capital Outlay             | Acquisition or construction of buildings, improvements, machinery, equipment and land with a cost of \$5,000 or more and a life expectancy of two or more years.   |
| Debt Services              | Dollars set aside for repayment of principal and interest obligations.   |
| Transfers Out/Transfers In | Amounts distributed from one fund to finance activities in another fund shown as an expenditure in the originating fund and as a revenue in the receiving fund.  |
| Contingency                | Dollars set aside for unforeseen expenditures/expenses. Available only after legislative action.   |
| Unappropriated             | Dollars that cannot be spent or appropriated until the following budget year, except in an emergency situation created by civil disturbance or natural disaster.   |

# City of Klamath Falls Revenue Sources Descriptions and Assumptions

**TAXES**- Beginning with Fiscal Year 1997-98, the City of Klamath Falls has had a permanent tax rate of \$5.4423 per \$1000 of assessed valuation. The estimated increase in property taxes over last year is approximately 1.6%. Budgeted current property taxes assume a 90% collection of assessed amounts.

**FRANCHISE FEES** – Franchise Fees are projected to remain stagnant with a budgeted increase of .009% for FY 2011-2012 with most of the franchise companies reporting franchise fee increases less than 1%.

**FINES** – We estimate a decrease in Fines due to fewer tickets entering the system. Collections are also down due to the current economy.

**CHARGES FOR SERVICES** – Charges for services is primarily revenues from the proprietary funds and internal administration fees.

**INTEREST INCOME** – The City investment policy stresses, in order; safety, liquidity and return. Interest estimates assume a .5% average earnings rate.

**NET WORKING CAPITAL** – This is cash, investments and accounts receivable minus accounts payable, estimated for the beginning of the new year. We estimate that it will decline from July 1, 2010 to July 1, 2011.

**INTERGOVERNMENTAL** – These funds are derived from Gas Tax apportionment, Federal Forest Shared Revenues, Liquor Tax, Hotel/Motel Tax, Surface Transportation Program (STP), Federal Aeronautics and Aviation (FAA) grants, OTIA grants, and miscellaneous other grants and payments from other governmental agencies.

**TRANSFERS IN & INTERFUND LOAN** – These are transfers from one fund to another, including loan repayments. Transfers In of \$3,332,500 are included in this year's budget. Approximately one-half of the PERS Reserve Fund has been transferred to each Fund that has employees. See attached schedule for additional transfers.

**MISCELLANEOUS REVENUES** – These represent System Development Charges (SDC), donations, and revenues from the various activities of City government not reported elsewhere.

**LICENSES & FEES/PERMITS & SPECIAL ASSESSMENTS** – These represent occupational (or business) licenses, parking, alcoholic beverages, amusement, inspection and miscellaneous permits as well as assessments for improvements on benefited properties.

# CHARTS

# CHARTS

# Chart

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**CITY OF KLAMATH FALLS**  
**Schedule of Net Working Capital**  
**6 Year History/2 Year Projection**

| <b>Fund</b>                       | <b>7/1/2005</b> | <b>7/1/2006</b> | <b>7/1/2007</b> | <b>7/1/2008</b> | <b>7/1/2009</b> | <b>7/1/2010</b> | <b>7/1/2011</b> | <b>7/1/2012</b> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>General Fund</b>               | 2,890,944       | 3,213,077       | 3,859,962       | 3,276,075       | 3,189,841       | 3,369,976       | 3,016,550       | 3,027,550       |
| <b>Airport (1)</b>                | 223,622         | 392,377         | 540,629         | 585,335         | 578,561         | 489,954         | 513,675         | 275,725         |
| <b>Parks (2)</b>                  | 639,096         | 838,761         | 701,483         | 883,325         | 691,091         | 855,360         | 773,050         | 322,500         |
| <b>Street</b>                     | 2,142,179       | 2,475,277       | 2,432,345       | 2,315,529       | 4,418,212       | 2,799,830       | 1,733,650       | 1,397,875       |
| <b>Parking</b>                    | 29,405          | 14,744          | 30,811          | 50,979          | 62,842          | 71,563          | 64,425          | 19,425          |
| <b>Street Lighting</b>            | 346,094         | 439,566         | 205,321         | 116,483         | 113,917         | 182,278         | 176,425         | 61,175          |
| <b>Wastewater (1,2)</b>           | 2,809,180       | 3,100,101       | 2,833,372       | 1,492,903       | 12,485,925      | 4,250,423       | 5,446,600       | 5,562,650       |
| <b>Water (1,2,3)</b>              | 5,497,643       | 7,007,692       | 6,842,833       | 5,643,412       | 5,358,782       | 5,240,050       | 4,497,850       | 3,195,350       |
| <b>Cemetery</b>                   | 165,007         | 116,756         | 127,505         | 125,227         | 153,597         | 138,152         | 198,325         | 254,100         |
| <b>Footpaths/Bicycle (4)</b>      | 10,216          | 15,280          | 25,920          | 36,208          | 45,195          | 54,439          | 65,075          | 21,125          |
| <b>Downtown Maintenance</b>       | 173             | 237             | 1,364           | 945             | 286             | 942             | 5,775           | 5,000           |
| <b>Economic Development (5)</b>   | 389,016         | 290,223         | 320,552         | 695,493         | 402,794         | 254,867         | 167,575         | 93,150          |
| <b>Technology (4)</b>             | 146,265         | 187,999         | 234,576         | 180,065         | 347,771         | 292,517         | 273,550         | 138,000         |
| <b>PERS Reserve Fund</b>          | 307,218         | 319,494         | 338,543         | 353,122         | 363,341         | 608,038         | 859,725         | 432,000         |
| <b>Building Reserve Fund (5)</b>  |                 | 579,946         | 778,179         | 1,925,910       | 8,028,493       | 3,165,473       | 1,949,950       | 1,000,000       |
| <b>Escrow Reserve</b>             |                 |                 |                 |                 |                 | 1,481,766       | 2,726,675       |                 |
| <b>Debt Services (5)</b>          | 937,978         | 972,281         | 1,029,218       | 898,888         | 507,036         | 448,479         | 25,800          | 26,325          |
| <b>Veteran's Memorial Agency</b>  |                 |                 |                 |                 | 142,436         | 143,279         | 136,175         | 119,525         |
| <b>Total</b>                      | 16,534,036      | 19,963,811      | 20,302,613      | 18,579,899      | 36,890,120      | 23,847,386      | 22,630,850      | 15,951,475      |
| <b>Perpetual Care - Trust (6)</b> | 414,917         | 416,647         | 419,067         | 430,446         | 438,114         | 0               | 0               | 0               |

Ending Fund Balance consists of Cash & Investments plus current receivables less cash payables.

- 1 – Cash & Investments does not include restricted bond reserves, or other legally restricted reserves.
- 2 – Includes system development charge revenues – restricted for Capital.
- 3 – Includes bond proceeds restricted for Capital.
- 4 – Capital use only.
- 5 – Designated use only. Does not include funds held in escrow for future payment of debt.
- 6 – Transferred to new Klamath Memorial Cemetery owners.

**City of Klamath Falls**  
**Schedule of Transfers, Fiscal Year 2011-2012**

| <b>TO:</b>        | General Fund | Debt Service | Airport Fund | Parks Fund | Street Fund | Street Lighting Fund | Parking Fund | Escrow Reserve Fund | Waste-water Fund | Water Fund | <b>TOTAL</b> |
|-------------------|--------------|--------------|--------------|------------|-------------|----------------------|--------------|---------------------|------------------|------------|--------------|
| <b>FROM:</b>      |              |              |              |            |             |                      |              |                     |                  |            |              |
| General Fund      |              | 296,300      |              |            |             |                      |              |                     |                  |            | 296,300      |
| PERS Reserve Fund | 274,975      |              | 16,500       | 16,950     | 29,650      | 350                  | 1,300        |                     | 40,875           | 49,275     | 429,875      |
| Water Fund        |              |              |              | 344,175    |             |                      |              |                     |                  |            | 344,175      |
| Cogen Fund        |              |              |              |            |             |                      |              | 2,184,650           |                  |            | 2,184,650    |
| <b>TOTAL</b>      | 274,975      | 296,300      | 16,500       | 361,125    | 29,650      | 350                  | 1,300        | 2,184,650           | 40,875           | 49,275     | 3,255,000    |

**City of Klamath Falls  
Overall Staffing Comparison  
F.T.E Positions**

| <b>DEPARTMENT</b>    | <b>Actual<br/>FY 02</b> | <b>Actual<br/>FY 03</b> | <b>Actual<br/>FY 04</b> | <b>Actual<br/>FY 05</b> | <b>Actual<br/>FY 06</b> | <b>Actual<br/>FY 07</b> | <b>Actual<br/>FY 08</b> | <b>Actual<br/>FY 09</b> | <b>Actual<br/>FY 10</b> | <b>Actual<br/>FY 11</b> | <b>Proposed<br/>FY 12</b> |
|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Police               | 43                      | 45                      | 45                      | 44                      | 43                      | 45                      | 45                      | 43                      | 45                      | 45                      | 42                        |
| Code Enforcement     | 3                       | 3                       | 2.33                    | 2.33                    | 2.33                    | 2.33                    | 3.33                    | 3.33                    | 3.33                    | 3.33                    | 2.33                      |
| Municipal Court      | 3.5                     | 3.5                     | 3.5                     | 3.5                     | 3                       | 3.5                     | 3.5                     | 3.5                     | 3.25                    | 3.25                    | 3.25                      |
| Facility Maintenance | 8.5                     | 8.5                     | 8.5                     | 8.5                     | 11                      | 11                      | 11                      | 11                      | 10                      | 10                      | 11                        |
| Legal                | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                         |
| City Manager         | 4                       | 3.5                     | 3.5                     | 3.5                     | 4.5                     | 4.5                     | 4.5                     | 4.5                     | 4.5                     | 4.5                     | 4.5                       |
| Finance/Risk         | 8                       | 7                       | 7                       | 8                       | 8                       | 7.5                     | 7                       | 7                       | 8                       | 8                       | 6.75                      |
| Personnel/Risk       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                         |
| Information Systems  | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 3                       | 3                       | 3                         |
| Planning             | 4                       | 4                       | 4.67                    | 4.67                    | 6.17                    | 6.17                    | 6.17                    | 6.17                    | 6.17                    | 6.17                    | 5.17                      |
| P.W. Engineering     | 11                      | 11                      | 10.5                    | 9                       | 8.5                     | 9.5                     | 9.5                     | 9.5                     | 7.5                     | 7.5                     | 7.5                       |
| Cemetery             | 3.5                     | 3.5                     | 3.5                     | 3.35                    | 3.4                     | 3.4                     | 3.4                     | 3.4                     | 2                       | 0                       | 0                         |
| Airport              | 5                       | 5                       | 5                       | 5                       | 5                       | 5                       | 6                       | 6                       | 6                       | 6                       | 6                         |
| Parks                | 5.5                     | 5.5                     | 5.5                     | 6.15                    | 5.6                     | 5.6                     | 5.6                     | 5.6                     | 6                       | 8                       | 8                         |
| Streets              | 12                      | 11                      | 11                      | 11                      | 11                      | 11                      | 11                      | 11                      | 11                      | 11                      | 11                        |
| Vehicle Maintenance  | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                         |
| Off-Street Parking   | 1                       | 1                       | 1                       | 1                       | 1                       | 1                       | 1                       | 1                       | 1                       | 1                       | 1                         |
| Street Lighting      | 2.5                     | 2.5                     | 2.5                     | 2.5                     | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                         |
| P.W. Administration  | 3                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                       | 2                         |
| Utility Billing      | 11.5                    | 11.5                    | 11.5                    | 11.5                    | 11.5                    | 11.5                    | 11.5                    | 11.5                    | 11.75                   | 11.75                   | 11                        |
| Wastewater           | 15.86                   | 15.61                   | 14.61                   | 14.61                   | 14.84                   | 15.84                   | 15.67                   | 15.67                   | 15.67                   | 15.67                   | 15.67                     |
| Water                | 11.14                   | 12.89                   | 12.39                   | 12.39                   | 13.16                   | 13.16                   | 14.83                   | 15.83                   | 13.33                   | 13.33                   | 13.33                     |
| Geothermal           |                         |                         |                         |                         |                         |                         |                         |                         | 0.5                     | 0.5                     | 0.5                       |
| <b>TOTAL</b>         | <b>164</b>              | <b>164</b>              | <b>162</b>              | <b>161</b>              | <b>162</b>              | <b>166</b>              | <b>169</b>              | <b>168</b>              | <b>166</b>              | <b>166</b>              | <b>160</b>                |

## Major Capital Projects Budgeted for Fiscal Year 2011-2012

### Airport

|   |                |
|---|----------------|
| Completion of Runway/Taxiway Replacement (FAA Funded) | \$ 645,375     |
| Snow Removal Equipment (FAA Funded)                   | <u>541,600</u> |

**TOTAL CAPITAL PROJECTS – AIRPORT** **\$ 1,186,975**

### Streets

|  |                |
|--|----------------|
| 3.5 Miles Unimproved Roads (CMAQ Funded \$483,050)                     | \$ 520,825     |
| Streets around Klamath Union & Conger School (Federal Forest Receipts) | <u>301,450</u> |

**TOTAL CAPITAL PROJECTS – STREETS** **\$ 822,275**

### Street Lighting

|  |                          |
|--|--------------------------|
| High Efficiency Bulb Installation (Grant Funded) | <b><u>\$ 458,600</u></b> |
|--|--------------------------|

### Wastewater

|  |                |
|--|----------------|
| California Lift Station Force Main (Grant Funded \$343,200)  | \$ 1,063,000   |
| Design Improvements to the Headworks (Loan Funded \$500,000) | <u>500,000</u> |

**TOTAL CAPITAL PROJECTS – WASTEWATER** **\$ 1,563,000**

### Water

|  |                |
|--|----------------|
| Altamont Drive Phase II Boardman Ave to Hilyard Ave      | \$ 325,000     |
| Bisbee Street Waterline Replacement Phase II             | 455,000        |
| Meter Replacement Program                                | 250,000        |
| Pelican Booster Station and Waterline Installation Phase | <u>450,000</u> |

**TOTAL CAPITAL PROJECTS – WATER** **\$ 1,480,000**

***CITY OF KLAMATH FALLS***

**General Fund**

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

**Estimated Revenue: \$15,075,400**

**Appropriated: \$12,047,850**

**Contingency: \$1,513,775**

**Unappropriated: \$1,513,775**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101**

|                   |                   |                   | Fiscal Year 2012                    |            |            |            |                              |                              |  |
|-------------------|-------------------|-------------------|-------------------------------------|------------|------------|------------|------------------------------|------------------------------|--|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                            | Proposed   | Approved   | Adopted    | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |  |
|                   |                   |                   | <b>RESOURCES</b>                    |            |            |            |                              |                              |  |
|                   |                   | 3,369,975         | Net Working Capital                 | 3,016,550  | 3,016,550  | 3,016,550  | 3,027,550                    | 2,554,400                    |  |
| 198,081           | 233,921           | 202,825           | Taxes Previously Levied             | 209,200    | 209,200    | 209,200    | 211,375                      | 213,025                      |  |
| 607,529           | 706,791           | 874,800           | Intergovernmental                   | 609,800    | 609,800    | 609,800    | 562,700                      | 536,625                      |  |
| 960,651           | 955,548           | 951,450           | Franchise Fees                      | 995,650    | 995,650    | 995,650    | 1,009,975                    | 1,019,950                    |  |
| 210,991           | 183,085           | 167,575           | Licenses/Permits/Fees               | 169,525    | 169,525    | 169,525    | 169,525                      | 169,525                      |  |
| 3,949,484         | 3,934,264         | 4,069,850         | Charges for Services                | 4,201,350  | 4,201,350  | 4,201,350  | 4,258,700                    | 4,527,900                    |  |
| 526,192           | 411,158           | 411,275           | Fines & Forfeitures                 | 406,200    | 406,200    | 406,200    | 406,200                      | 410,200                      |  |
| 117,961           | 62,578            | 46,950            | Investment Income                   | 32,975     | 32,975     | 32,975     | 28,925                       | 25,575                       |  |
| 117,890           | 117,890           |                   | Repayment of Interfund Loan         |            |            |            |                              |                              |  |
| 2,327             | 2,849             | 3,075             | Special Assessments                 | 1,650      | 1,650      | 1,650      | 3,425                        | 3,600                        |  |
| 29,024            | 5,389             | 18,250            | Miscellaneous Revenues              | 49,225     | 49,225     | 49,225     | 5,225                        | 5,225                        |  |
|                   |                   |                   | Other Financing Sources             | 170,000    | 170,000    | 170,000    |                              | 425,000                      |  |
|                   |                   |                   | Transfer In                         | 274,975    | 274,975    | 274,975    | 276,400                      |                              |  |
| 6,720,130         | 6,613,473         | 10,116,025        | Total Resources Except Taxes Levied | 10,137,100 | 10,137,100 | 10,137,100 | 9,960,000                    | 9,891,025                    |  |
|                   |                   | 4,572,975         | Taxes Necessary to Balance          | 4,938,300  | 4,938,300  | 4,938,300  | 4,791,725                    | 4,919,900                    |  |
| 4,271,658         | 4,573,175         |                   | Taxes Collected in Year Levied      |            |            |            |                              |                              |  |
| 10,991,788        | 11,186,648        | 14,689,000        | <b>Total Resources</b>              | 15,075,400 | 15,075,400 | 15,075,400 | 14,751,725                   | 14,810,925                   |  |

**COMMENTS:** The Net Working Capital reduction from the prior year is caused mainly by increased costs in FY 2011 Personal Services (contract negotiated salary increases and health care costs) and added utility costs of the new PD station. The anticipated Intergovernmental revenue is due mostly as reimbursement on a Department of Justice grant for two police officer salaries. Franchise fees in the General Fund have increased 4.6% mostly due to an increase in the fees from Pacific Power. Charges for Services represent the reimbursement from other City Funds for the cost of internal services, which increased 5.3%. We anticipate less in interest income as the economy struggles to improve. We anticipate approximately \$44,000 being returned to the City from OIT, representing funds for Public Access Television, that remain unused. The Other Financing Sources represents a loan to refurbish ten Police vehicles. The Transfer In accounts for approximately half of the balance in the PERS Reserve Fund, which will help offset the PERS contribution in Personal Services in the General Fund.

***CITY OF KLAMATH FALLS***

**General Fund**

**Police**

**The Police Department of the General Fund is used to account for the public safety activities of the Police Department. Revenues consist primarily of property taxes and other general fund sources.**

**Appropriated: \$6,628,500**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/POLICE DEPARTMENT #0100**

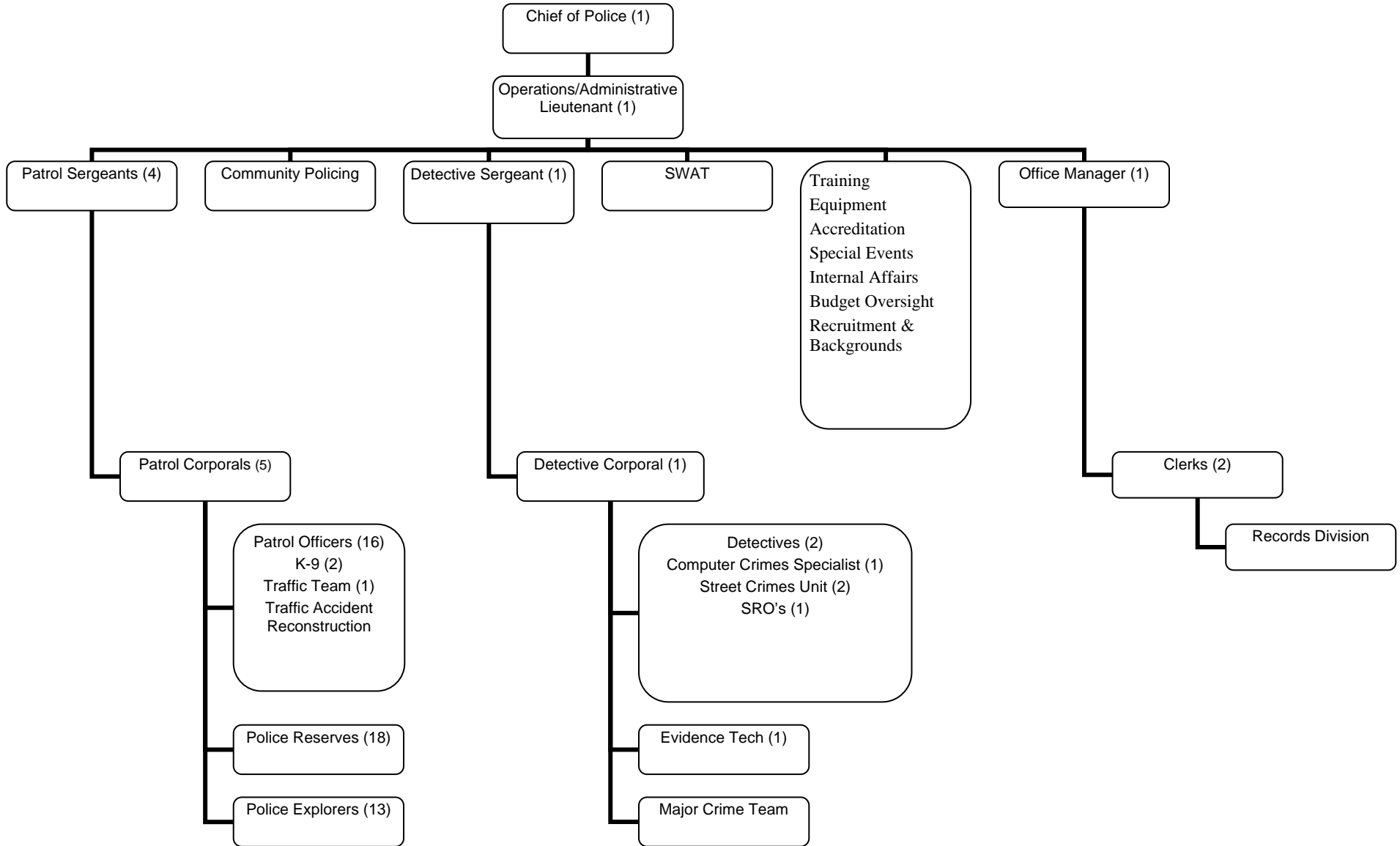
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved  | Adopted   |                              |                              |
| 4,222,300         | 4,310,527         | 4,633,850         | Personal Services         | 4,643,950        | 4,643,950 | 4,643,950 | 4,749,175                    | 5,038,825                    |
| 1,197,120         | 1,191,987         | 1,365,075         | Materials & Services      | 1,426,825        | 1,426,825 | 1,426,825 | 1,500,600                    | 1,553,350                    |
| 186,392           | 196,277           | 126,250           | Capital Outlay            | 170,000          | 170,000   | 170,000   |                              | 425,750                      |
|                   |                   |                   | Debt Service              | 91,425           | 91,425    | 91,425    | 91,425                       | 155,175                      |
| 257,416           | 381,575           | 385,900           | Transfers Out             | 296,300          | 296,300   | 296,300   | 291,225                      | 291,150                      |
| 5,863,228         | 6,080,366         | 6,511,075         | <b>Total Requirements</b> | 6,628,500        | 6,628,500 | 6,628,500 | 6,632,425                    | 7,464,250                    |

**COMMENTS:** The City is currently in negotiations with the Teamsters union regarding salary and benefits along with other contract terms. Based on the results of these negotiations and final Council approval of the Contract, we may be required to amend this budget. The budget assumes a 10% increase in health insurance premiums effective January 2012. The PERS rate increase for the Tier One and Tier Two participants is 41.9% raising the City's total contribution from 10.86% to 15.41% of eligible salaries. For OPSRP participants the increase is 19.5% of eligible salaries. Materials & Services increases are due mainly to the increased cost of utilities in the new police station as well as other unanticipated costs of the building. We have included \$39,500 in anticipation of a new detox center to begin service in January 2012. This amount will be \$79,000 in future years to account for a full year of service. Higher fuel prices will have a huge impact on the cost of providing police services in the future. The Capital Outlay represents the refurbishment of ten vehicles. The intention is to borrow the money from the Escrow Reserve Fund and pay it back over two years. The Debt Service represents the first payment on the vehicles. The Transfers Out represents the annual payment to the Debt Service Fund to make the payment of the Full Faith and Credit Bonds used to remodel the station.

# POLICE DEPARTMENT

## Organizational Chart

### FY 2011-2012



**City of Klamath Falls  
Capital Outlay Schedule**

| <b>Item</b>                             | <b>Proposed Expenditure</b> |
|---|-----------------------------|
| Refurbish (10) Vehicles (\$17,000 each) | \$ 170,000                  |
| <b>TOTAL-POLICE DEPARTMENT</b>          | <b>\$ 170,000</b>           |

***CITY OF KLAMATH FALLS***

**General Fund**

**Community Development - Code Enforcement Department**

**The Code Enforcement Department of the General Fund is used to account for Code Enforcement and Abatement Activities. Revenues consist primarily of enforcement fees and charges and other general fund sources.**

**Appropriated: \$344,650**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/ COMMUNITY DEVELOPMENT - CODE ENFORCEMENT DEPARTMENT #0200**

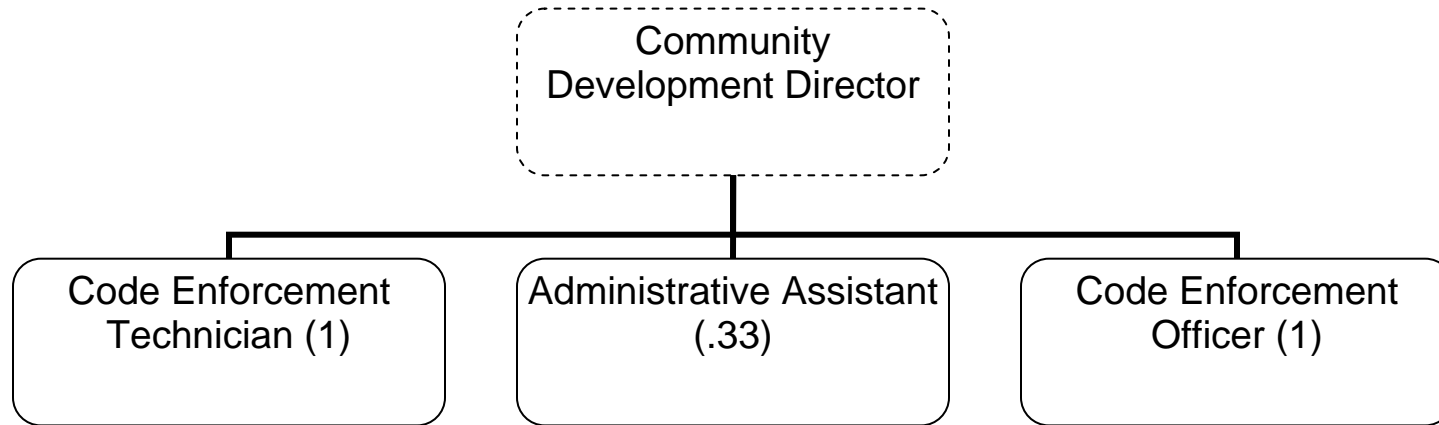
|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 209,480           | 207,709           | 211,650           | Personal Services         | 165,175  | 165,175  | 165,175 | 171,150                      | 181,900                      |
| 186,423           | 146,811           | 181,200           | Materials & Services      | 179,475  | 179,475  | 179,475 | 181,150                      | 184,475                      |
| 18,145            |                   |                   | Capital Outlay            |          |          |         |                              |                              |
| 8,000             | 3,550             | 3,600             | Transfers Out             |          |          |         |                              |                              |
| 422,048           | 358,070           | 396,450           | <b>Total Requirements</b> | 344,650  | 344,650  | 344,650 | 352,300                      | 366,375                      |

**COMMENTS:** The City is currently in negotiations with the AFSCME union regarding salaries and benefits and other contract terms for all AFSCME employees. Based on the results of these negotiations and final Council approval of the Contract, we may be required to amend this budget. The budget assumes a 2.5% increase in health insurance premiums effective July 1, 2011. The PERS rate increase for Tier One and Tier Two participants is 41.9%, raising the City's total contribution from 10.86% to 15.41% of eligible salaries. For OPSRP participants the increase is 25.4% from 8.97% to 11.25% of eligible salaries.

# COMMUNITY DEVELOPMENT - CODE ENFORCEMENT DEPARTMENT

## Organizational Chart

### FY 2011-2012



***CITY OF KLAMATH FALLS***

**General Fund**

**Municipal Court**

**The Municipal Court Department of the General Fund is used to account for Municipal Court activities. Revenues consist exclusively of fines and fees.**

**Appropriated: \$266,350**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/MUNICIPAL COURT DEPARTMENT #0300**

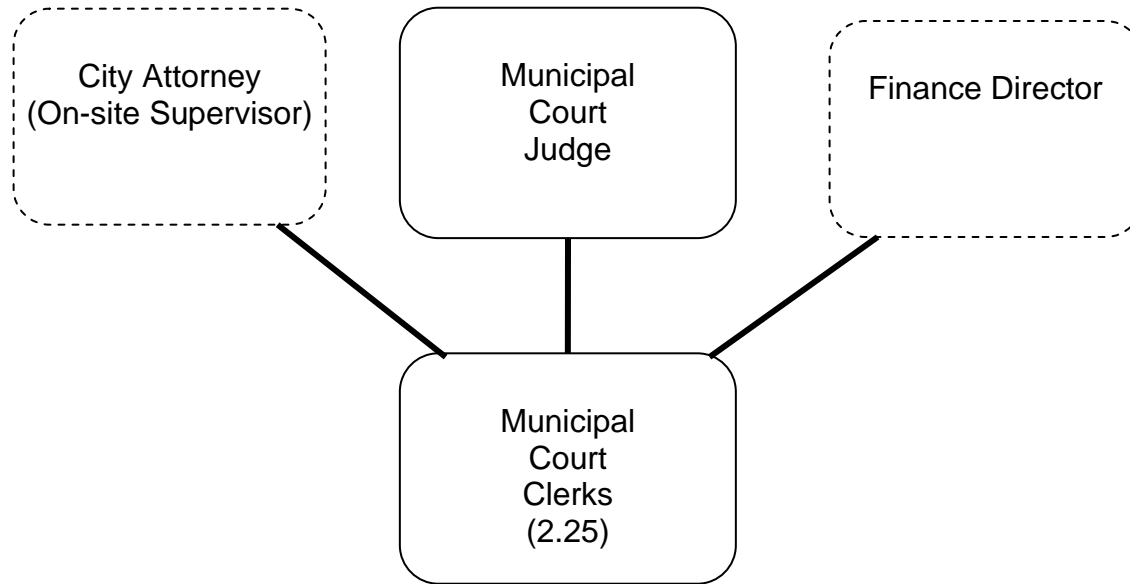
|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 177,321           | 152,393           | 166,275           | Personal Services         | 180,900  | 180,900  | 180,900 | 187,475                      | 197,700                      |
| 76,887            | 62,670            | 84,925            | Materials & Services      | 85,450   | 85,450   | 85,450  | 88,400                       | 91,625                       |
| 14,475            | 2,325             | 2,125             | Transfer Out              |          |          |         |                              |                              |
| 268,683           | 217,388           | 253,325           | <b>Total Requirements</b> | 266,350  | 266,350  | 266,350 | 275,875                      | 289,325                      |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

# MUNICIPAL COURT DEPARTMENT

## Organizational Chart

### FY 2011-2012



***CITY OF KLAMATH FALLS***

**General Fund**

**Other General Fund Programs**

**The Other General Fund Programs Department is used to track expenditures for general government programs and activities that are not associated with a specific department or funding source and are short term or one-time projects. Revenues consist primarily of franchise fees and other general fund sources.**

**Appropriated: \$241,775**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101  
OTHER GENERAL FUND PROGRAMS DEPARTMENT #0400**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 91,811            | 80,018            | 340,325           | Materials & Services      | 199,775          | 199,775  | 199,775 | 199,200                      | 198,700                      |
| 110,278           | 12,555            | 35,000            | Capital Outlay            | 42,000           | 42,000   | 42,000  | 22,000                       |                              |
| 202,089           | 92,573            | 375,325           | <b>Total Requirements</b> | 241,775          | 241,775  | 241,775 | 221,200                      | 198,700                      |

**COMMENTS:** Materials & Services includes a \$50,000 contract with Eagle Ridge High School which will come from the Charter Cable franchise fees for Public Access Television. OIT is no longer offering the televising service. The state has determined that Cities will budget for 911 Communication pass-through fees, even though those funds do not come to the City. We have included \$116,225 in 911 intergovernmental revenue and are budgeting the payment here. Other budgeted amounts are for extra-ordinary repairs/maintenance of buildings that house multiple departments, and which the repairs and maintenance would benefit all. This department also pays for the watering of various landscaping islands around the city. The Capital Outlay is for a new HVAC system for approximately \$20,000 in the old City Hall and \$22,000 for Public Access Television Equipment.

**City of Klamath Falls  
Capital Outlay Schedule**

|  |                     |
|--|---------------------|
| <b>Fund: Other General Fund Programs</b> | <b>FY 2011-2012</b> |
|--|---------------------|

| Item                                     | Proposed Expenditure |
|--|----------------------|
| HVAC System - City Hall                  | \$ 20,000            |
| Public Access Television Equipment       | 22,000               |
| <b>Total-Other General Fund Programs</b> | <b>\$ 42,000</b>     |

***CITY OF KLAMATH FALLS***

**General Fund**

**Maintenance Service**

**The Maintenance Service Fund of the General Fund accounts for expenditures incurred in the maintenance and improvement of the City owned buildings and facilities including maintenance of Water & Wastewater equipment and Streets traffic signals. Revenues consist of charges for services to the various City operating units.**

**Appropriated: \$964,225**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/MAINTENANCE DEPARTMENT #5500**

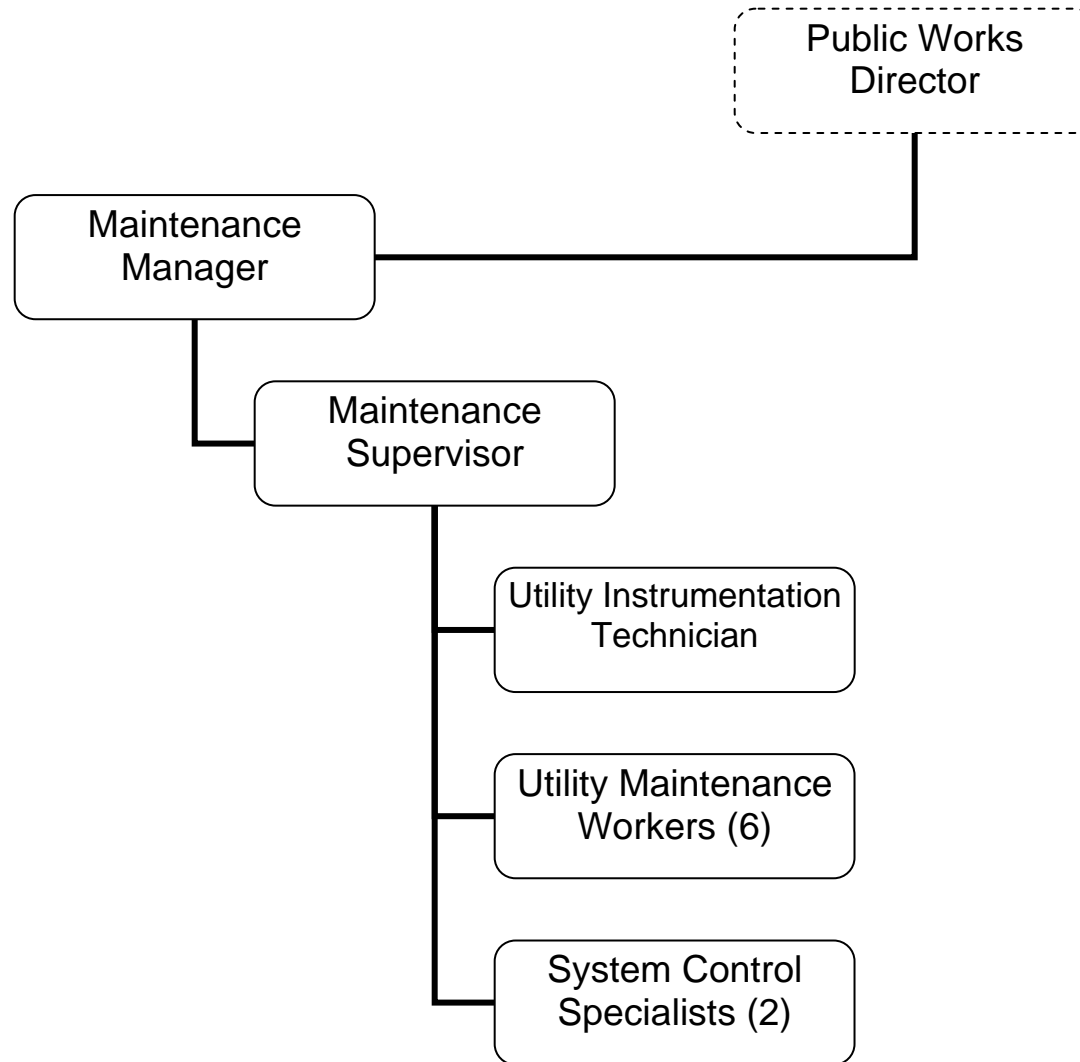
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 767,428           | 726,233           | 745,500           | Personal Services         | 854,625          | 854,625  | 854,625 | 884,900                      | 940,700                      |
| 83,767            | 90,811            | 92,700            | Materials & Services      | 99,600           | 99,600   | 99,600  | 104,450                      | 107,600                      |
|                   |                   |                   | Capital Outlay            | 10,000           | 10,000   | 10,000  |                              | 30,000                       |
|                   | 12,850            | 12,500            | Transfer Out              |                  |          |         |                              |                              |
| 851,195           | 829,894           | 850,700           | <b>Total Requirements</b> | 964,225          | 964,225  | 964,225 | 989,350                      | 1,078,300                    |

**COMMENTS:** The increase in Personal Services represents the addition of one employee. With occupation of the new Police Station, one maintenance employee was assigned full time to that building. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. The Capital Outlay is for a new HVAC system for the Maintenance Department.

# MAINTENANCE DIVISION

## Organizational Chart

FY 2011-2012



***CITY OF KLAMATH FALLS***

**General Fund**

**Legislative**

**This Department within the General Fund accounts for costs associated with City Council and Mayor activities and memberships. Revenue consists of general fund sources.**

**Appropriated: \$136,950**

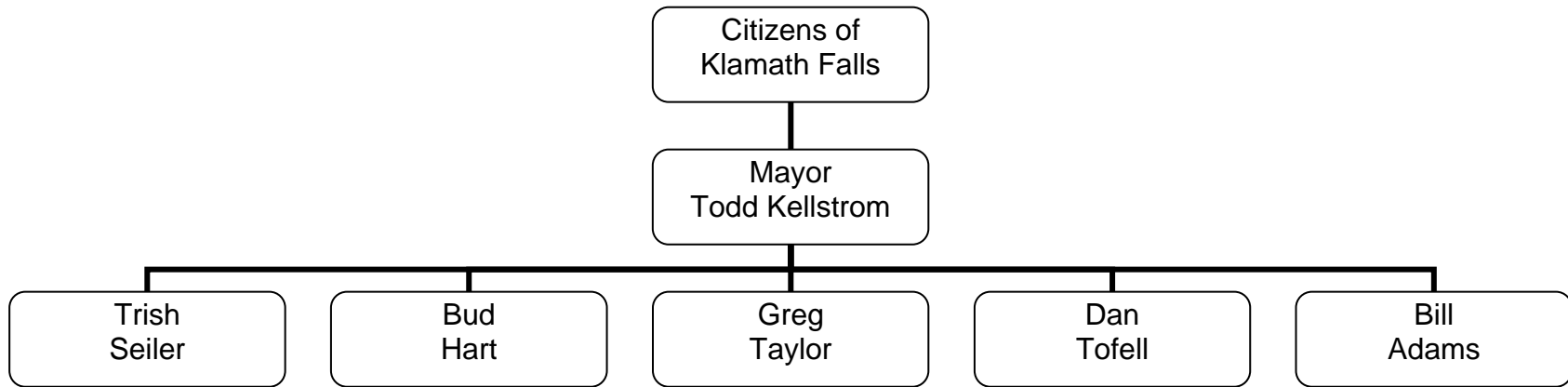
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/LEGISLATIVE DEPARTMENT #6100**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 77,132            | 80,580            | 72,450            | Personal Services         | 76,075           | 76,075   | 76,075  | 82,700                       | 90,000                       |
| 52,501            | 52,436            | 64,550            | Materials & Services      | 60,875           | 60,875   | 60,875  | 62,800                       | 64,900                       |
| 129,633           | 133,016           | 137,000           | <b>Total Requirements</b> | 136,950          | 136,950  | 136,950 | 145,500                      | 154,900                      |

**COMMENTS:** Increases in Personal Services represent the increase in health insurance premiums.

**CITY COUNCIL (LEGISLATIVE) DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**General Fund**

**Legal**

**This Department within the General Fund accounts for costs associated with the City Attorney for City operations. Revenues consist primarily of administrative service charges to other departments plus other general fund sources.**

**Appropriated: \$253,275**

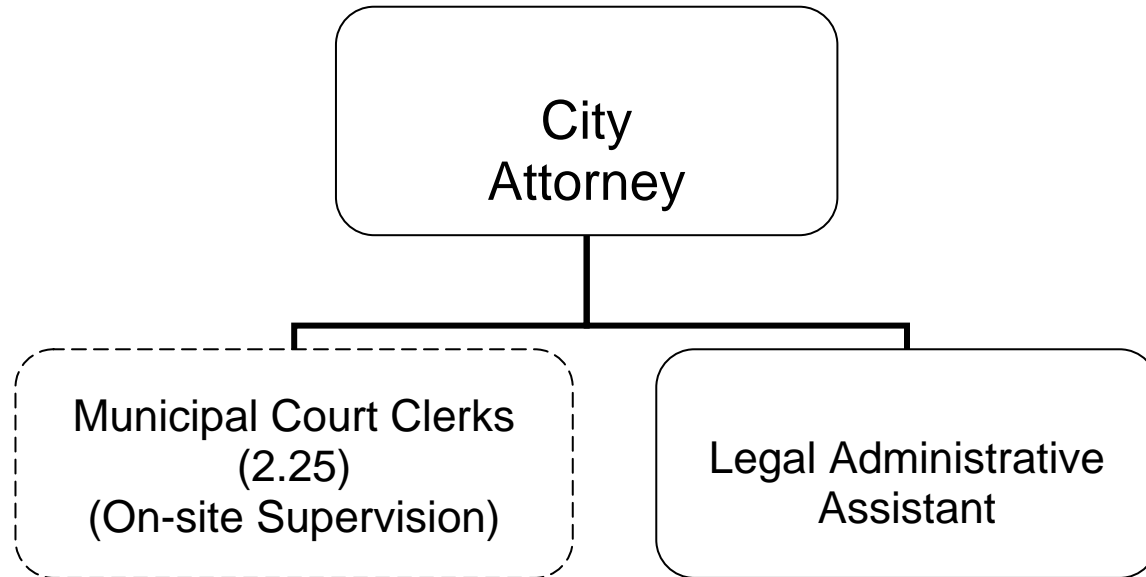
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/LLEGAL DEPARTMENT #6200**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 207,242           | 200,106           | 192,850           | Personal Services         | 200,400          | 200,400  | 200,400 | 205,750                      | 217,375                      |
| 39,615            | 51,555            | 62,400            | Materials & Services      | 52,875           | 52,875   | 52,875  | 53,800                       | 54,825                       |
|                   | 3,850             | 3,600             | Transfer Out              |                  |          |         |                              |                              |
| 246,857           | 255,511           | 258,850           | <b>Total Requirements</b> | 253,275          | 253,275  | 253,275 | 259,550                      | 272,200                      |

**COMMENTS:** The increase in Personal Services represents a possible salary increase for the City Attorney to reflect market rates.

**LEGAL DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**General Fund**

**City Manager**

**This department within the General Fund accounts for activities in the City Manager's office, which also includes the City Recorder's functions. Revenues consist primarily of administrative service charges to other departments plus other general fund sources.**

**Appropriated: \$506,675**

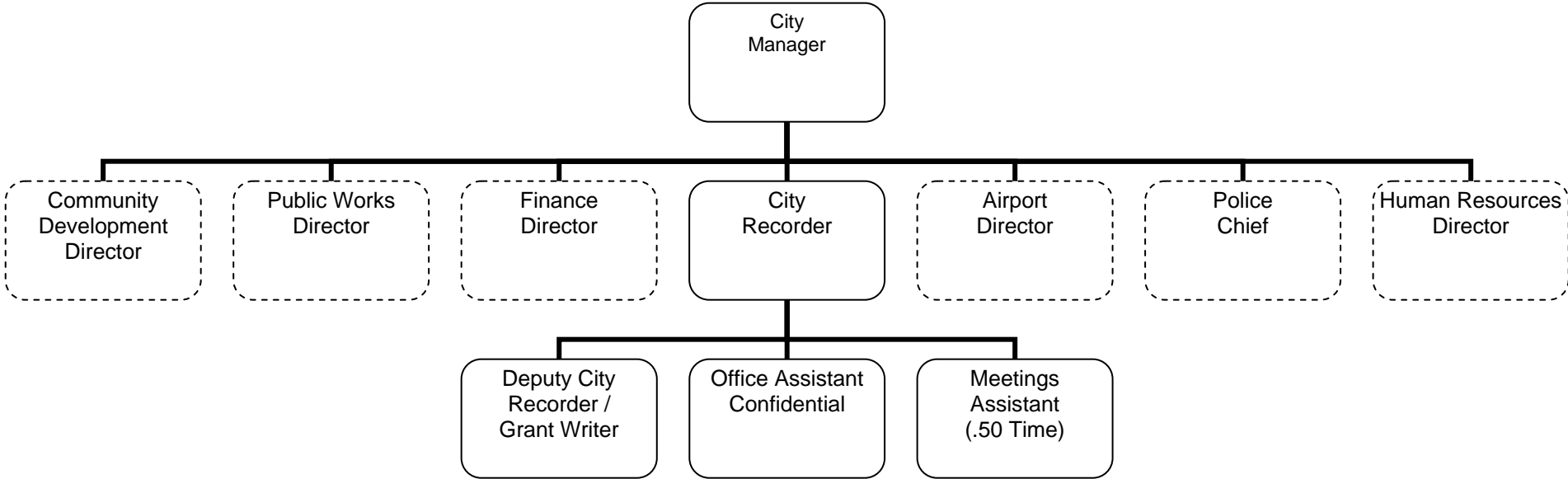
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/CITY MANAGER #6300**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 396,829           | 433,073           | 411,150           | Personal Services         | 433,775          | 433,775  | 433,775 | 446,175                      | 474,125                      |
| 64,212            | 75,317            | 76,775            | Materials & Services      | 72,900           | 72,900   | 72,900  | 74,900                       | 77,450                       |
|                   | 9,050             | 7,675             | Transfer Out              |                  |          |         |                              |                              |
| 461,041           | 517,440           | 495,600           | <b>Total Requirements</b> | 506,675          | 506,675  | 506,675 | 521,075                      | 551,575                      |

**COMMENTS:** A portion of the increase in Personal Services represents limited anticipated implementation of the completed Compensation and Classification study. The City Manager has elected to forego any salary increase that might be available. Any other negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**CITY MANAGER DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**General Fund**

**Finance**

**This department within the General Fund accounts for the financial operation of the city and shares risk management duties with Human Resources. Revenues consist primarily of administrative service charges to other departments plus other general fund sources.**

**Appropriated: \$763,325**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/FINANCE DEPARTMENT #6400**

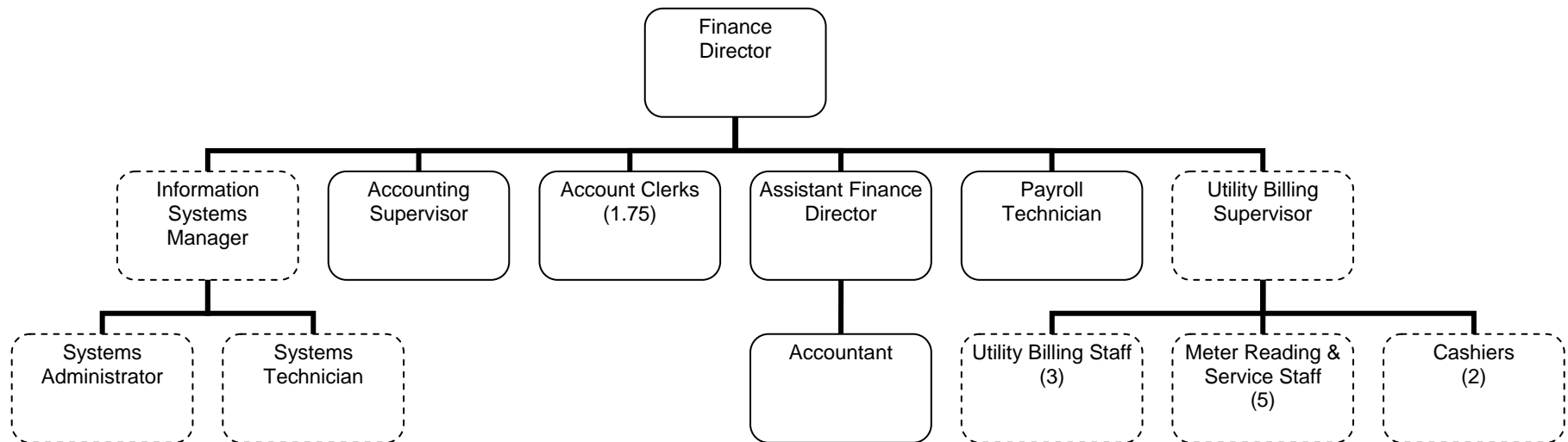
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 509,253           | 548,496           | 561,100           | Personal Services         | 598,375          | 598,375  | 598,375 | 602,125                      | 639,700                      |
| 132,103           | 122,959           | 163,150           | Materials & Services      | 160,375          | 160,375  | 160,375 | 137,000                      | 141,800                      |
|                   |                   |                   | Debt Service              | 4,575            | 4,575    | 4,575   | 27,025                       | 27,025                       |
|                   | 10,225            | 10,650            | Transfer Out              |                  |          |         |                              |                              |
| 641,356           | 681,680           | 734,900           | <b>Total Requirements</b> | 763,325          | 763,325  | 763,325 | 766,150                      | 808,525                      |

**COMMENTS:** The increase in Personal Services represents the replacement of an Administrative Assistant position with an Accounting Supervisor position. This position was created as a part of the City's succession planning and was filled in May 2011. The Debt Service is a payment on the remodeling of the old "Amerititle" building that was purchased in fiscal year 2011 to house the Finance Department and Utility Billing. We anticipate the remodeling will be completed in February and we will be moving in April 2012.

# FINANCE DEPARTMENT

## Organizational Chart

### FY 2011-2012



***CITY OF KLAMATH FALLS***

**General Fund**

**Human Resources/Risk Management**

**This department within the General Fund accounts for the activities of the Human Resources operations and shares risk management duties with the Finance Department. Revenues consist primarily of administrative service charges to other departments plus other general fund sources.**

**Appropriated: \$248,975**

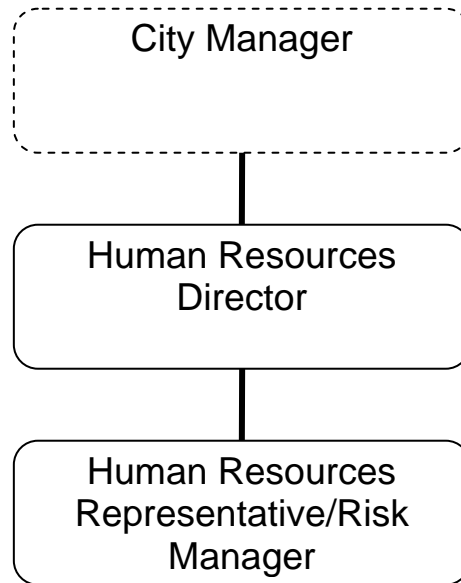
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT #6500**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 182,790           | 159,053           | 206,175           | Personal Services         | 214,625          | 214,625  | 214,625 | 221,150                      | 234,125                      |
| 20,600            | 26,363            | 67,900            | Materials & Services      | 34,350           | 34,350   | 34,350  | 34,725                       | 38,250                       |
|                   | 3,250             | 3,650             | Transfer Out              |                  |          |         |                              |                              |
| 203,390           | 188,666           | 277,725           | <b>Total Requirements</b> | 248,975          | 248,975  | 248,975 | 255,875                      | 272,375                      |

**COMMENTS:** The increase in Personal Services reflects a salary increase for the addition of Risk Management duties. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials & Services consist of leadership training, the core values program and the wellness committee. Materials & Services overall has decreased with the completion of the comp & class study in FY 2011.

**HUMAN RESOURCES/RISK DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**General Fund**

**Information Systems**

**This department within the General Fund accounts for the costs of managing the City's Information and Technology systems. Revenues consist primarily of administrative service charges to other departments plus other general fund sources.**

**Appropriated: \$385,950**

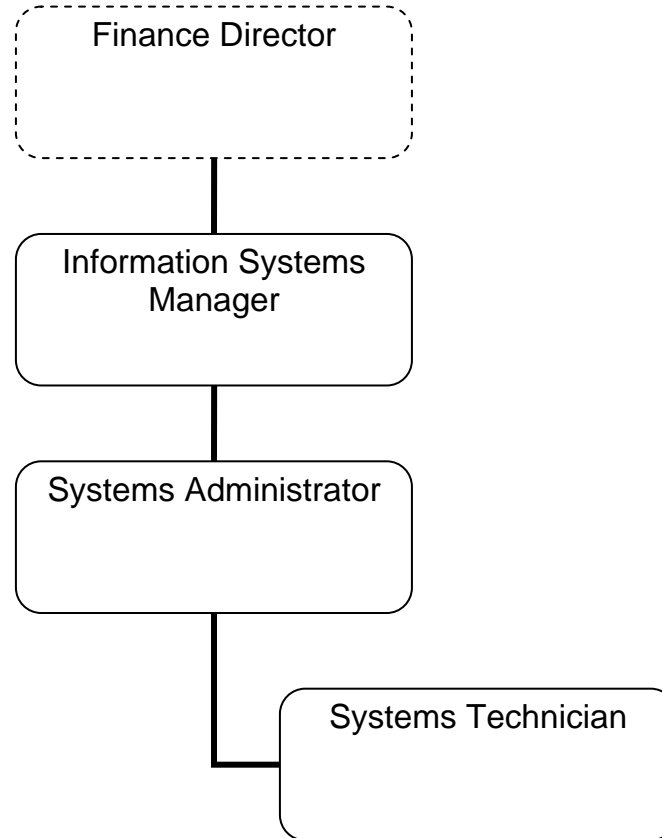
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/INFORMATION SYSTEMS DEPARTMENT #6600**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 163,961           | 214,575           | 244,900           | Personal Services         | 258,875          | 258,875  | 258,875 | 266,575                      | 282,500                      |
| 97,886            | 104,160           | 116,350           | Materials & Services      | 127,075          | 127,075  | 127,075 | 130,750                      | 134,475                      |
| 41,925            | 39,375            | 39,475            | Transfer Out              |                  |          |         | 35,000                       | 35,000                       |
| 303,772           | 358,110           | 400,725           | <b>Total Requirements</b> | 385,950          | 385,950  | 385,950 | 432,325                      | 451,975                      |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**INFORMATION SYSTEMS DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**General Fund**

**Community Development - Planning Department**

**The Planning Department within the General Fund accounts for costs associated with providing City Planning Services to the public. Revenues consist primarily of charges for business licenses, planning fees and administrative service charges to other departments plus other general fund sources.**

**Appropriated: \$496,475**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**GENERAL FUND #101/ COMMUNITY DEVELOPMENT - PLANNING DEPARTMENT #6700**

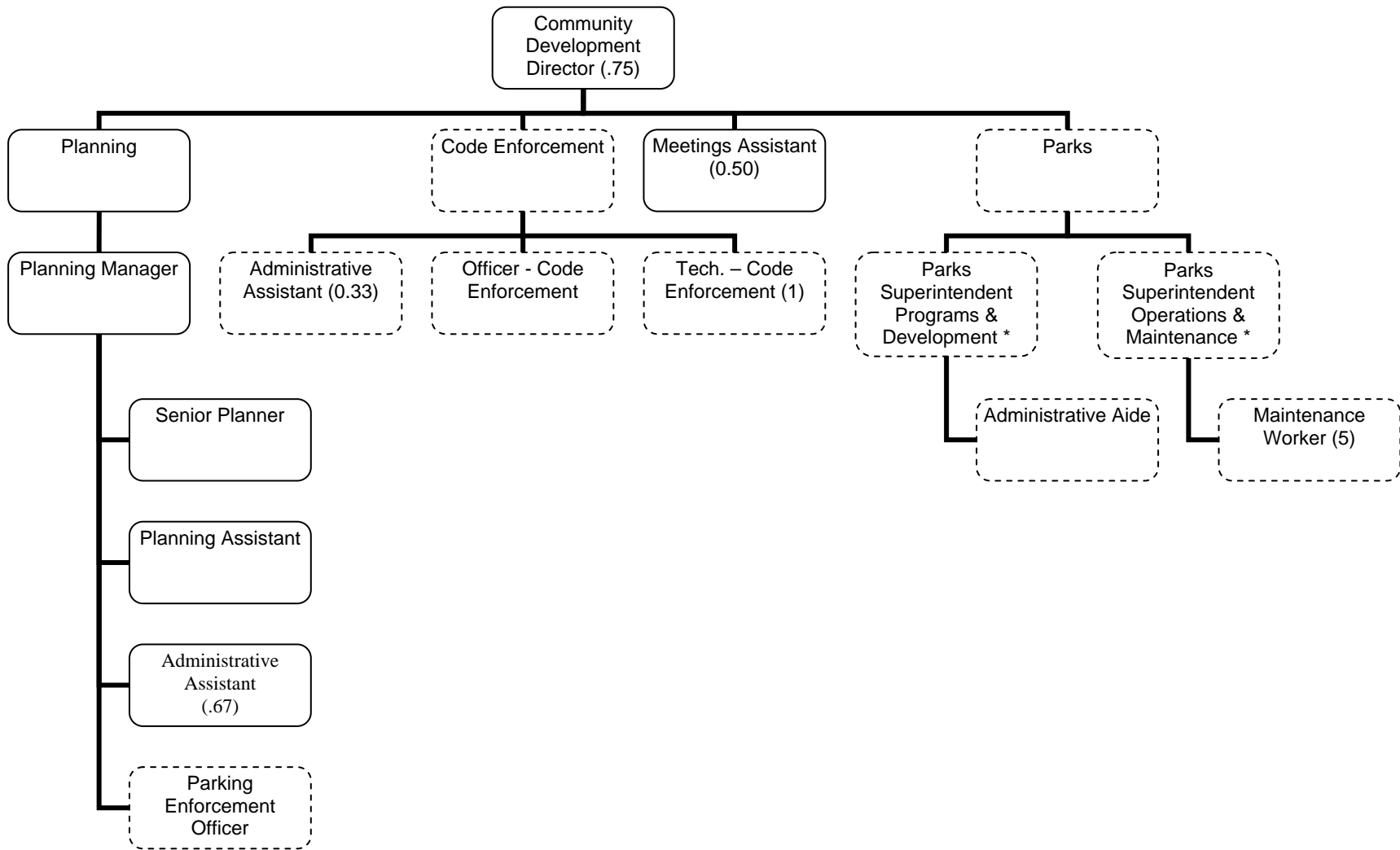
|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 466,223           | 458,552           | 482,625           | Personal Services         | 418,500  | 418,500  | 418,500 | 434,100                      | 461,100                      |
| 158,189           | 63,055            | 70,025            | Materials & Services      | 77,975   | 77,975   | 77,975  | 79,200                       | 81,725                       |
| 36,650            | 8,575             | 8,725             | Transfers Out             |          |          |         |                              |                              |
| 661,062           | 530,182           | 561,375           | <b>Total Requirements</b> | 496,475  | 496,475  | 496,475 | 513,300                      | 542,825                      |

**COMMENTS:** The Planning Department has budgeted for one less employee. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials & Services have increased due to additional printing and postage for the amendments to the Community Development Ordinance and administrative service charges.

# COMMUNITY DEVELOPMENT - PLANNING DEPARTMENT

## Organizational Chart

### FY2011-2012



***CITY OF KLAMATH FALLS***

**General Fund**

**Public Works Engineering**

**The Public Works Engineering department within the General Fund is used to account for Engineering services provided to other City units as well as the public. Revenues consist primarily of charges for services both inside and outside the governmental unit.**

**Appropriated: \$810,725**

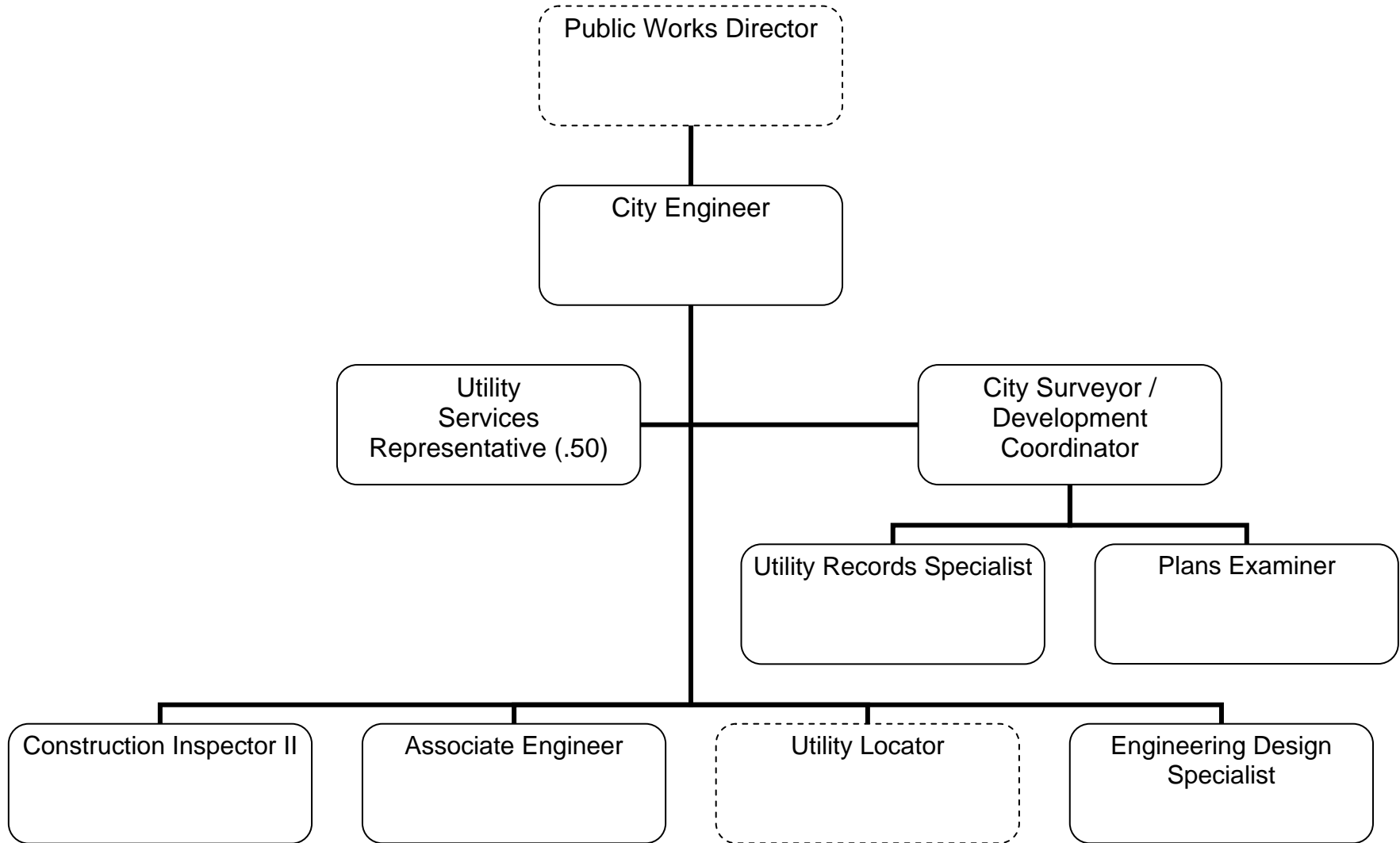
**BUDGET SUMMARY  
ADOPTED SUMMARY  
Fiscal Year 2011-2012**

**GENERAL FUND #101/PUBLIC WORKS ENGINEERING DEPARTMENT #7200**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 658,141           | 616,558           | 649,900           | Personal Services         | 651,100  | 651,100  | 651,100 | 670,350                      | 709,225                      |
| 156,177           | 123,010           | 140,250           | Materials & Services      | 159,625  | 159,625  | 159,625 | 162,050                      | 165,575                      |
|                   |                   |                   | Capital Outlay            |          |          |         |                              | 25,000                       |
|                   | 12,200            | 12,575            | Transfer Out              |          |          |         |                              |                              |
| 814,318           | 751,768           | 802,725           | <b>Total Requirements</b> | 810,725  | 810,725  | 810,725 | 832,400                      | 899,800                      |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**PUBLIC WORKS – ENGINEERING DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



**BUDGET SUMMARY  
ADOPTED SUMMARY  
Fiscal Year 2011-2012**

**GENERAL FUND #101 CONTINGENCY & UNAPPROPRIATED**

|                   |                   |                   | Fiscal Year 2012               |            |            |            |                              |                              |
|-------------------|-------------------|-------------------|--------------------------------|------------|------------|------------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Proposed   | Approved   | Adopted    | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 1,316,625         | Contingency                    | 1,513,775  | 1,513,775  | 1,513,775  | 1,277,200                    | 729,900                      |
|                   |                   | 1,316,600         | Unappropriated                 | 1,513,775  | 1,513,775  | 1,513,775  | 1,277,200                    | 729,900                      |
|                   |                   | 2,633,225         | <b>Total Requirements</b>      | 3,027,550  | 3,027,550  | 3,027,550  | 2,554,400                    | 1,459,800                    |
| 11,068,672        | 10,994,664        | 14,689,000        | <b>Total Fund Requirements</b> | 15,075,400 | 15,075,400 | 15,075,400 | 14,751,725                   | 14,810,925                   |

**COMMENTS:** At the end of fiscal year 2012 the general fund balance is projected to be at 25.13% of budgeted appropriations. At the end of fiscal years 2013 and 2014 it is estimated to be at 20.94% and 10.93%, respectively. With the Teamsters and the AFSCME union contracts still unsettled, the outlook for the General Fund will be difficult to gauge. For the current fiscal year, we have budgeted a 2.5% increase in health insurance. With the increased costs of personnel and only a nominal increase in revenues, (some even declining), it is becoming more difficult to meet the Council objective of 20% in Reserves. The total fund requirements represent the total of each individual General Fund department beginning with the Police Department and ending with Contingency and Unappropriated. We are proposing a work session with City Council and the Budget Committee in August to discuss budgetary priorities and the continuing decline in Reserves.

***CITY OF KLAMATH FALLS***

**Klamath Falls Airport Fund**

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

**Estimated Revenue: \$ 3,320,025**

**Appropriated: \$ 3,044,300**

**Contingency: \$ 275,725**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**AIRPORT FUND #202**

|                   |                   |                   | Fiscal Year 2012               |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|--------------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 680,475           | Net Working Capital            | 513,675   | 513,675   | 513,675   | 275,725                      | 198,650                      |
| 22,544            | 26,882            | 23,400            | Taxes Previously Levied        | 25,575    | 25,575    | 25,575    | 25,625                       | 25,850                       |
| 11,576,540        | 18,663,089        | 5,405,350         | Intergovernmental              | 1,741,200 | 1,741,200 | 1,741,200 | 1,608,850                    | 2,565,425                    |
| 792,410           | 714,283           | 727,050           | Charges for Services           | 714,875   | 714,875   | 714,875   | 718,700                      | 720,900                      |
| 12,794            | 11,356            | 5,700             | Investment Income              | 5,425     | 5,425     | 5,425     | 4,125                        | 3,750                        |
| 500,000           | 3,724,228         |                   | Other Financing Source         |           |           |           |                              |                              |
| 599,675           | 559,092           |                   | Miscellaneous Revenue          |           |           |           |                              |                              |
| 279,099           | 80,000            |                   | Transfers In                   | 16,500    | 16,500    | 16,500    | 16,575                       |                              |
| 13,783,062        | 23,778,930        | 6,841,975         | Total Resources Except Taxes   | 3,017,250 | 3,017,250 | 3,017,250 | 2,649,600                    | 3,514,575                    |
|                   |                   | 493,475           | Taxes Necessary to Balance     | 302,775   | 302,775   | 302,775   | 518,900                      | 534,075                      |
| 466,184           | 493,531           |                   | Taxes Collected in Year Levied |           |           |           |                              |                              |
| 14,249,246        | 24,272,461        | 7,335,450         | <b>Total Resources</b>         | 3,320,025 | 3,320,025 | 3,320,025 | 3,168,500                    | 4,048,650                    |

**COMMENTS:** The Intergovernmental revenue estimates \$310,750 in transient room taxes and \$1,430,450 in Federal Aviation Administration funding for capital outlay in department #0601. Charges for services have been reduced due to the loss of two tenants. The airport staff is actively pursuing new tenants, but we feel it prudent not to budget revenues until we have new lease agreements signed. The Transfer In is from the PERS reserve to offset the increased costs.

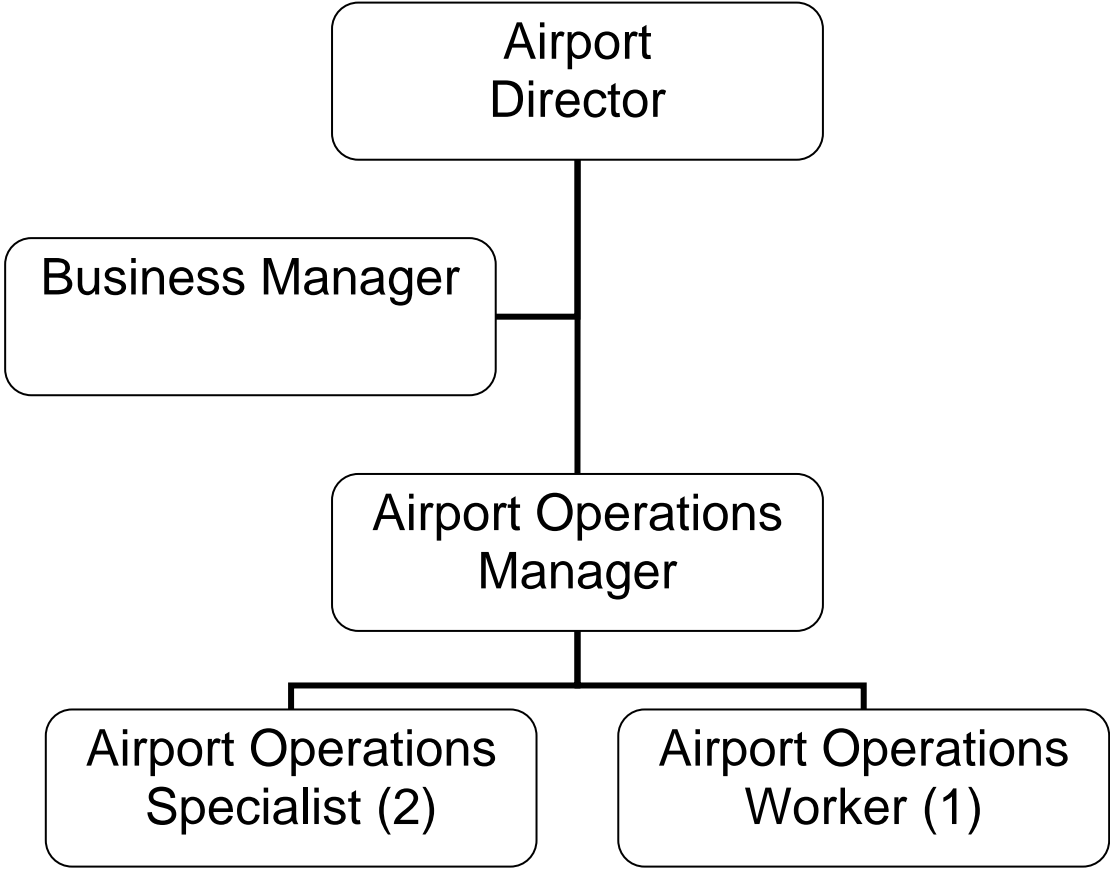
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**AIRPORT FUND #202/AIRPORT OPERATIONS DEPARTMENT #0600**

|                   |                   |                   | Fiscal Year 2012          |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 511,803           | 489,600           | 499,475           | Personal Services         | 535,225   | 535,225   | 535,225   | 551,325                      | 584,675                      |
| 1,386,119         | 894,507           | 1,032,800         | Materials & Services      | 781,100   | 781,100   | 781,100   | 779,825                      | 780,100                      |
| 63,561            | 6,599             | 42,000            | Capital Outlay            | 35,500    | 35,500    | 35,500    | 86,000                       | 40,000                       |
| 147,875           | 3,540,572         | 293,275           | Debt Service              | 186,725   | 186,725   | 186,725   | 189,525                      | 186,775                      |
| 12,525            | 9,100             | 9,425             | Transfers Out             |           |           |           |                              |                              |
| 2,121,883         | 4,940,378         | 1,876,975         | <b>Total Requirements</b> | 1,538,550 | 1,538,550 | 1,538,550 | 1,606,675                    | 1,591,550                    |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials and Services are lower with legal fees for the runway litigation being paid from the Escrow Reserve Fund. The reduction in debt service reflects a proposal to extend the repayment schedule of the interfund loan from five years to ten.

**AIRPORT DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**AIRPORT FUND #202  
AIRPORT FAA GRANTS DEPARTMENT #0601**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved  | Adopted   |                              |                              |
| 31,555            | 3,000             | 90,500            | Materials & Services      | 25,650           | 25,650    | 25,650    |                              |                              |
| 12,101,990        | 19,649,123        | 4,784,875         | Capital Outlay            | 1,480,100        | 1,480,100 | 1,480,100 | 1,363,175                    | 2,368,425                    |
|                   |                   | 374,250           | Debt Service              |                  |           |           |                              |                              |
| 12,133,545        | 19,652,123        | 5,249,625         | <b>Total Requirements</b> | 1,505,750        | 1,505,750 | 1,505,750 | 1,363,175                    | 2,368,425                    |

**COMMENTS:** FY2012 budget anticipates the completion of the runway project (not runway repairs) and reduction of grant funded capital outlay.

**CONTINGENCY & UNAPPROPRIATED**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|--------------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
|                   |                   | 208,850           | Contingency                    | 275,725   | 275,725   | 275,725   | 198,650                      | 88,675                       |
|                   |                   | 208,850           | <b>Total Requirements</b>      | 275,725   | 275,725   | 275,725   | 198,650                      | 88,675                       |
| 14,255,428        | 24,592,501        | 7,335,450         | <b>Total Fund Requirements</b> | 3,320,025 | 3,320,025 | 3,320,025 | 3,171,425                    | 4,052,150                    |

**COMMENTS:** Contingency is 17.1% of operating expenditures and the city's match on the FAA projects.

**City of Klamath Falls  
Capital Outlay Schedule**

| <b>Item</b>   | <b>Proposed Expenditure</b> |
|---|-----------------------------|
| <b>Operations Capital</b>                           |                             |
| Design / Engineering on Carwash Facility            | \$ 10,000                   |
| Replace Lennox Pulse Furnace System in Baggage Area | 11,000                      |
| Replace 2 Condensing Units in Baggage Area          | 7,000                       |
| Storm Drain Inserts (2)                             | 7,500                       |
| <b>FAA Capital</b>                                  |                             |
| Completion of Runway/Taxiway Replacement            | 645,375                     |
| Snow Removal Equipment                              | 541,600                     |
| Runway Sensors                                      | 130,000                     |
| Construction of Service Road                        | 27,850                      |
| Environmental Mitigation                            | 105,275                     |
| Wildlife Hazard Assessment                          | 30,000                      |
| <b>TOTAL - AIRPORT CAPITAL</b>                      | <b>\$ 1,515,600</b>         |

***CITY OF KLAMATH FALLS***

**Parks Fund**

The Parks Fund accounts for the operation of the City's parks system. Revenues consist of property taxes and intergovernmental revenues such as grants and 25% of the transient room taxes. Other revenues consist primarily of charges of System Development Charges, investment income, donations and a transfer from the Water Fund equaling 6% of water charges.

**Estimated Revenue: \$2,245,550**

**Appropriated: \$1,923,050**

**Contingency: \$322,500**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**PARKS FUND #203**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|--------------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                                | Proposed         | Approved  | Adopted   |                              |                              |
|                   |                   | 391,500           | Net Working Capital            | 773,050          | 773,050   | 773,050   | 322,500                      | 198,450                      |
| 25,610            | 39,079            | 33,800            | Taxes Previously Levied        | 36,900           | 36,900    | 36,900    | 37,000                       | 37,325                       |
| 334,167           | 108,208           | 333,850           | Intergovernmental              | 350,500          | 350,500   | 350,500   | 171,725                      | 119,150                      |
| 14,000            | 10,367            | 7,275             | Charges for Services           | 9,425            | 9,425     | 9,425     | 9,425                        | 9,425                        |
| 24,837            | 11,928            | 4,875             | Investment Income              | 6,900            | 6,900     | 6,900     | 4,750                        | 4,225                        |
| 34,007            | 59,235            | 27,200            | Miscellaneous Revenues         | 14,850           | 14,850    | 14,850    | 16,050                       | 16,050                       |
| 364,431           | 389,904           | 362,275           | Transfer In                    | 361,125          | 361,125   | 361,125   | 365,400                      | 352,150                      |
| 797,052           | 618,721           | 1,160,775         | Total Resources Except Taxes   | 1,552,750        | 1,552,750 | 1,552,750 | 926,850                      | 736,775                      |
|                   |                   | 712,800           | Taxes Necessary to Balance     | 692,800          | 692,800   | 692,800   | 749,525                      | 771,450                      |
| 517,981           | 712,878           |                   | Taxes Collected in Year Levied |                  |           |           |                              |                              |
| 1,315,033         | 1,331,599         | 1,873,575         | <b>Total Resources</b>         | 2,245,550        | 2,245,550 | 2,245,550 | 1,676,375                    | 1,508,225                    |

**COMMENTS:** Intergovernmental revenue includes grant awards of \$53,100 for Lake Ewauna Trail, \$152,600 for the Putnam's Landing, \$18,500 for the South Portal Wetlands, \$8,700 for the snowflake festival and \$14,000 MAP funds for maintenance of the marinas. Also included in Intergovernmental revenue is 25% of hotel/motel transient room tax budgeted at \$103,600. Miscellaneous revenues are system development charges and donations. Transfers In represents the 6% surcharge from the Water Fund in the amount of \$344,175 and \$16,950 from the PERS Reserve Fund.

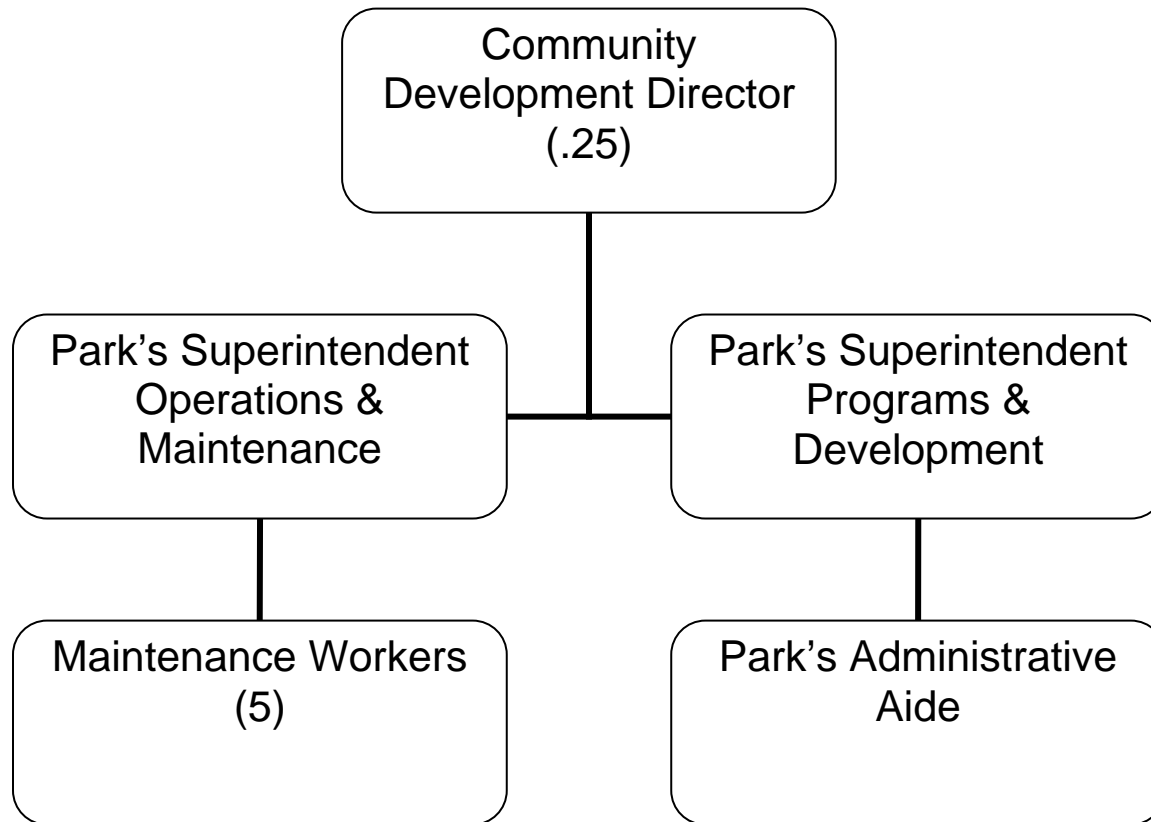
**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**PARKS FUND #203**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved  | Adopted   |                              |                              |
| 360,645           | 451,763           | 538,575           | Personal Services         | 581,225          | 581,225   | 581,225   | 600,200                      | 637,350                      |
| 433,951           | 512,930           | 586,200           | Materials & Services      | 725,875          | 725,875   | 725,875   | 726,325                      | 808,350                      |
| 528,296           | 192,133           | 616,925           | Capital Outlay            | 615,950          | 615,950   | 615,950   | 151,400                      |                              |
| 1,688             |                   |                   | Debt Services             |                  |           |           |                              |                              |
| 182,145           | 7,825             | 8,875             | Transfer Out              |                  |           |           |                              |                              |
|                   |                   | 123,000           | Contingency               | 322,500          | 322,500   | 322,500   | 198,450                      | 62,525                       |
| 1,506,725         | 1,164,651         | 1,873,575         | <b>Total Requirements</b> | 2,245,550        | 2,245,550 | 2,245,550 | 1,676,375                    | 1,508,225                    |

**COMMENTS:** Personal Services now includes 25% of the Community Development Director. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials & Services reflects the additional spending of \$10,700 for the snowflake festival, additional maintenance of roads in Moore Park for \$16,000, Ella Redkey Pool participation of \$42,000 (\$83,350, \$125,000 and \$150,000 for subsequent years), Parks Master Plan in the amount of \$40,000, South Portal Wetlands Restoration \$27,825, higher gas prices and higher internal service charges.

**PARKS DEPARTMENT**  
**Organizational Chart**  
**FY 2011-2012**



**City of Klamath Falls  
Capital Outlay Schedule**

|                    |                     |
|--------------------|---------------------|
| <b>Fund: Parks</b> | <b>FY 2011-2012</b> |
|--------------------|---------------------|

| Item   | Proposed Expenditure |
|--|----------------------|
| California Ave Islands Landscape/Irrigation            | \$ 161,000           |
| Lake Ewauna Trail                                      | 106,400              |
| Putnam's Landing Pier & Sidewalk / Wetland Enhancement | 217,550              |
| South Side Park ADA Play Equipment & Infrastructure    | 25,000               |
| Veteran's Park Memorial Geothermal Line                | 28,000               |
| Batwing Mower  | 78,000               |
| <b>TOTAL - PARKS DEPARTMENT</b>                        | <b>\$ 615,950</b>    |

***CITY OF KLAMATH FALLS***

**Street Fund**

**The Street Fund accounts for street construction, maintenance and repair activities. The revenue consists primarily of intergovernmental revenues that are restricted for street related expenditures. The Street Fund also receives Franchise fee revenues.**

**Estimated Revenue: \$6,125,250**

**Appropriated: \$4,727,375**

**Contingency: \$1,397,875**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012  
STREET FUND #211**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category               | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                        | Proposed         | Approved  | Adopted   |                              |                              |
|                   |                   | 2,799,850         | Net Working Capital    | 1,733,650        | 1,733,650 | 1,733,650 | 1,397,875                    | 856,225                      |
| 957,417           | 2,870,684         | 3,118,250         | Intergovernmental      | 3,419,050        | 3,419,050 | 3,419,050 | 2,270,175                    | 1,851,275                    |
| 716,559           | 716,859           | 725,775           | Franchise Fees         | 749,850          | 749,850   | 749,850   | 761,550                      | 769,675                      |
| 209,868           | 167,195           | 175,800           | Charges for Services   | 184,625          | 184,625   | 184,625   | 190,025                      | 195,575                      |
| 65,735            | 26,166            | 8,700             | Investment Income      | 6,775            | 6,775     | 6,775     | 3,600                        | 900                          |
| 687               |                   |                   | Miscellaneous Revenue  | 1,650            | 1,650     | 1,650     | 1,650                        | 1,650                        |
| 2,799,312         | 207,058           | 288,000           | Transfer In            | 29,650           | 29,650    | 29,650    | 29,725                       |                              |
| 4,749,578         | 3,987,962         | 7,116,375         | <b>Total Resources</b> | 6,125,250        | 6,125,250 | 6,125,250 | 4,654,600                    | 3,675,300                    |

**COMMENT:** Intergovernmental Revenue consists of: a possible \$725,000 fund exchange with the County (if approved by City Council); Gas Taxes in the amount of \$1,082,550; Federal Forest Shared Revenues in the amount of \$951,450; County capital participation in the amount of \$177,000; and CMAQ grant funds in the amount of \$483,050. The Street Fund receives approximately 45% of undedicated Franchise Fees which are slightly up from FY 2011 due to the increased rates for Pacific Power and Avista.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**STREET FUND #211/STREET MAINTENANCE DIVISION #1000**

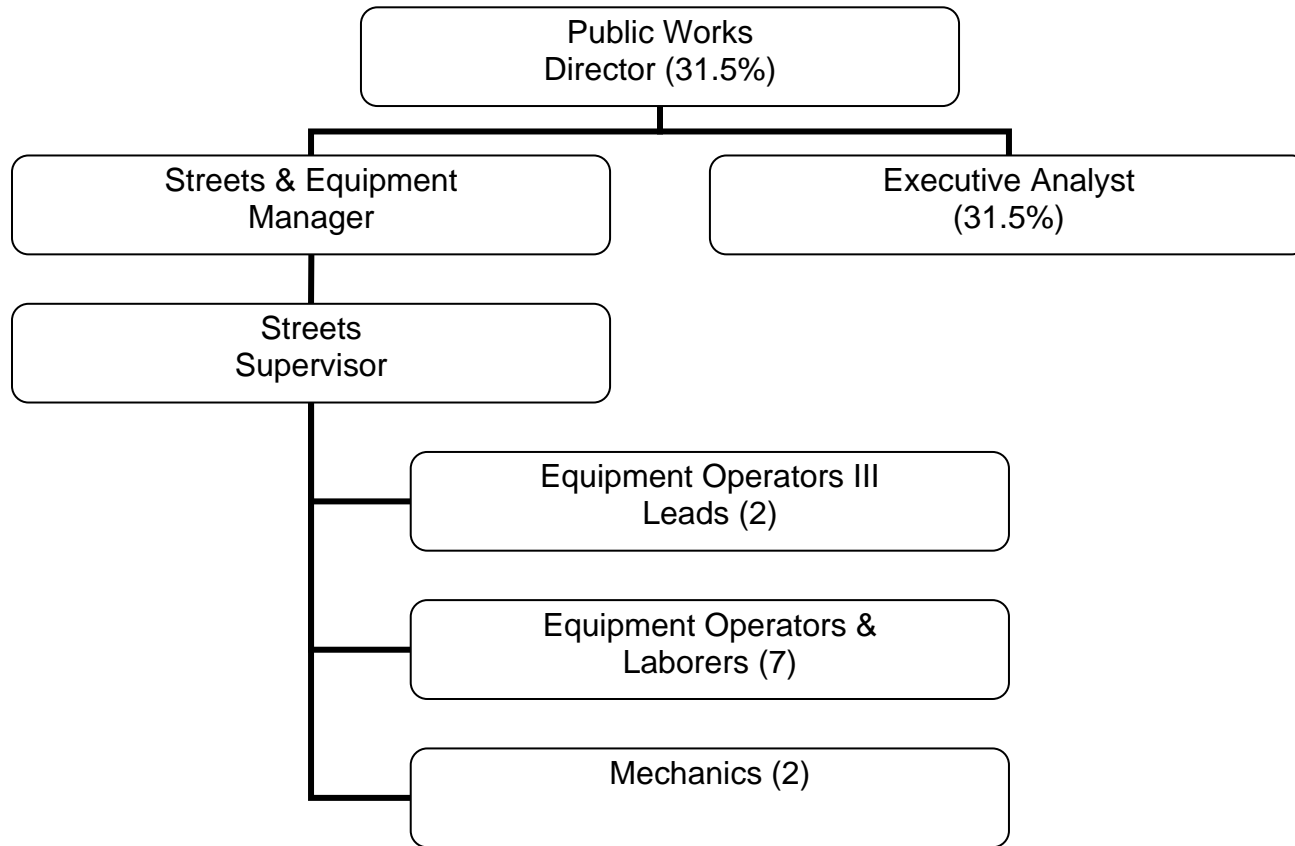
|                   |                   |                   | Fiscal Year 2012          |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 735,848           | 742,194           | 755,475           | Personal Services         | 837,350   | 837,350   | 837,350   | 862,400                      | 915,950                      |
| 1,113,787         | 900,051           | 1,008,050         | Materials & Services      | 1,904,650 | 1,904,650 | 1,904,650 | 1,926,300                    | 1,956,175                    |
| 544,515           | 3,716,217         | 3,051,425         | Capital Outlay            | 1,694,650 | 1,694,650 | 1,694,650 | 722,550                      | 423,000                      |
|                   | 12,525            | 12,650            | Transfer Out              |           |           |           |                              |                              |
| 2,394,150         | 5,370,987         | 4,827,600         | <b>Total Requirements</b> | 4,436,650 | 4,436,650 | 4,436,650 | 3,511,250                    | 3,295,125                    |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials & Services reflects a possible fund exchange in the amount of \$725,000 with the County (if approved by City Council). The amount budgeted for outside contractors used during snow removal has been reduced as there have been mild winters for the last several years, and the amount budgeted has exceeded actual expenditures for each of the last three years. Infrastructure maintenance has been reduced in an effort to maintain the fund balance until new revenue sources can be established.

# STREET DIVISION

## Organizational Chart

### FY 2011-2012



## City of Klamath Falls Capital Outlay Schedule

| Item  | Proposed Expenditures |
|---|-----------------------|
| <b>STREET OPERATIONS DIVISION</b>                                 |                       |
| Crack Seal Machine  | \$ 30,000             |
| 1 Ton 4X4 Pick-up with Plow                                       | 40,000                |
| Capital Street Program (County Funding \$177,000, Cogen \$32,250) | 209,250               |
| Snow Removal Program - Plows                                      | 15,000                |
| Street Sweeping Program - Brooms                                  | 20,000                |
| Street Safety Program - Sign Making Equipment                     | 45,000                |
| Vueworks - Traffic Signals  | 13,125                |
| <b>TOTAL OPERATIONS CAPITAL</b>                                   | <b>\$ 372,375</b>     |
| <b>CAPITAL INFRASTRUCTURE</b>                                     |                       |
| 3.5 Miles Unimproved Roads - (CMAQ Funding \$483,050)             | \$ 520,825            |
| <b>FEDERAL FOREST RECEIPTS</b>                                    |                       |
| Guard Rail Replacement  | \$ 150,000            |
| Campus Dr at 97 NO & Campus Dr at Dan O'Brien                     | 150,000               |
| Chip Seal Program - Various Streets                               | 200,000               |
| Streets around Klamath Union & Conger School                      | 301,450               |
| <b>TOTAL FEDERAL FOREST RECEIPTS</b>                              | <b>\$ 801,450</b>     |
| Fleet Maintenance Program - Tooling                               | \$ 8,000              |
| PW Admin Copier (\$12,650) 31.5%                                  | \$ 3,975              |
| <b>TOTAL - STREETS DEPARTMENT</b>                                 | <b>\$ 1,706,625</b>   |

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**STREET FUND #211/PW ADMIN DEPARTMENT #7100**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 60,522            | 59,716            | 63,675            | Personal Services         | 67,775   | 67,775   | 67,775  | 69,925                       | 74,175                       |
| 17,220            | 15,273            | 14,175            | Materials & Services      | 18,200   | 18,200   | 18,200  | 18,600                       | 19,000                       |
|                   |                   |                   | Capital Outlay            | 3,975    | 3,975    | 3,975   |                              |                              |
|                   | 1,125             | 1,150             | Transfer Out              |          |          |         |                              |                              |
| 77,742            | 76,114            | 79,000            | <b>Total Requirements</b> | 89,950   | 89,950   | 89,950  | 88,525                       | 93,175                       |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Street fund pays 31.5% of Public Works Administration expenses.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**STREET FUND #211  
VEHICLE MAINTENANCE DIVISION #7300**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 133,523           | 131,814           | 141,600           | Personal Services         | 147,325          | 147,325  | 147,325 | 152,450                      | 162,625                      |
| 35,468            | 29,381            | 38,000            | Materials & Services      | 45,450           | 45,450   | 45,450  | 46,150                       | 47,150                       |
|                   |                   |                   | Capital Outlay            | 8,000            | 8,000    | 8,000   |                              | 8,000                        |
|                   | 2,300             | 2,375             | Transfer Out              |                  |          |         |                              |                              |
| 168,991           | 163,495           | 181,975           | <b>Total Requirements</b> | 200,775          | 200,775  | 200,775 | 198,600                      | 217,775                      |

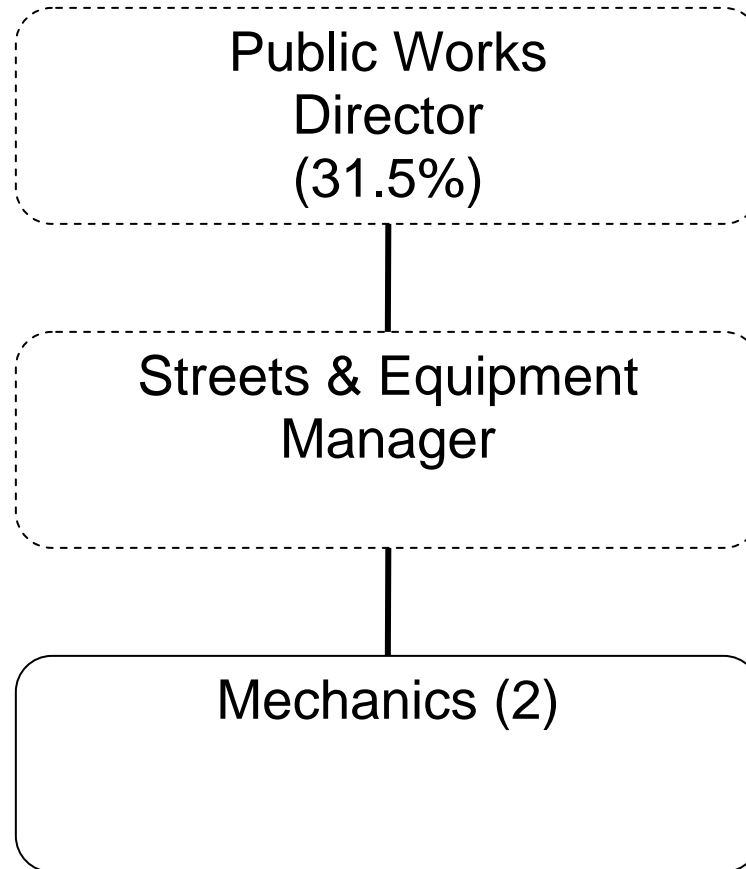
**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**CONTINGENCY & UNAPPROPRIATED**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                                      | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |   | Proposed         | Approved  | Adopted   |                              |                              |
|                   |                   | 1,227,800         | Contingency                                   | 647,875          | 647,875   | 647,875   | 356,225                      | 69,225                       |
|                   |                   | 800,000           | Unappropriated                                | 750,000          | 750,000   | 750,000   | 500,000                      |                              |
|                   |                   | 2,027,800         | <b>Total Contingency &amp; Unappropriated</b> | 1,397,875        | 1,397,875 | 1,397,875 | 856,225                      | 69,225                       |
| 2,640,883         | 5,610,596         | 7,116,375         | <b>Total Fund Requirements</b>                | 6,125,250        | 6,125,250 | 6,125,250 | 4,646,025                    | 3,657,200                    |

**COMMENTS:** Total fund balance is at 29.6% of expenditures with 13.7% left in contingency for unforeseen conditions that might arise during the year. As costs for personal services and materials & services rises, the Street Fund will only have enough funds to replace vehicles and equipment in the third year projection.

**VEHICLE  
MAINTENANCE DIVISION**  
Organizational Chart  
FY 2011-2012



***CITY OF KLAMATH FALLS***

**Parking Fund**

**The Parking Fund accounts for expenditures to provide (2hr) free parking for customers in downtown Klamath Falls. Revenues consist primarily of assessments on business owners, employee parking fees and parking fines.**

**Estimated Revenue: \$163,075**

**Appropriated: \$143,650**

**Contingency: \$19,425**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**PARKING FUND #212**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 71,600            | Net Working Capital       | 64,425   | 64,425   | 64,425  | 19,425                       | 11,275                       |
| 46,494            | 47,942            | 48,000            | Licenses/Fees/Permits     | 48,075   | 48,075   | 48,075  | 48,075                       | 48,075                       |
| 47,306            | 52,879            | 46,750            | Fines & Forfeitures       | 49,150   | 49,150   | 49,150  | 49,150                       | 49,150                       |
| 1,702             | 666               | 450               | Investment Income         | 125      | 125      | 125     | 75                           | 25                           |
|                   | 25                |                   | Miscellaneous Revenue     |          |          |         |                              |                              |
|                   |                   |                   | Transfer In               | 1,300    | 1,300    | 1,300   | 1,300                        |                              |
| 95,502            | 101,512           | 166,800           | <b>Total Resources</b>    | 163,075  | 163,075  | 163,075 | 118,025                      | 108,525                      |
|                   |                   |                   | <b>REQUIREMENTS</b>       |          |          |         |                              |                              |
| 39,564            | 47,303            | 52,125            | Personal Services         | 52,450   | 52,450   | 52,450  | 54,750                       | 58,025                       |
| 27,352            | 28,880            | 37,475            | Materials & Services      | 35,400   | 35,400   | 35,400  | 36,200                       | 37,000                       |
|                   |                   | 44,800            | Capital Outlay            | 40,000   | 40,000   | 40,000  |                              |                              |
| 15,781            | 15,763            | 15,800            | Debt Service              | 15,800   | 15,800   | 15,800  | 15,800                       | 7,050                        |
|                   | 800               | 800               | Transfer Out              |          |          |         |                              |                              |
|                   |                   | 15,800            | Contingency               | 19,425   | 19,425   | 19,425  | 11,275                       | 6,450                        |
| 82,697            | 92,746            | 166,800           | <b>Total Requirements</b> | 163,075  | 163,075  | 163,075 | 118,025                      | 108,525                      |

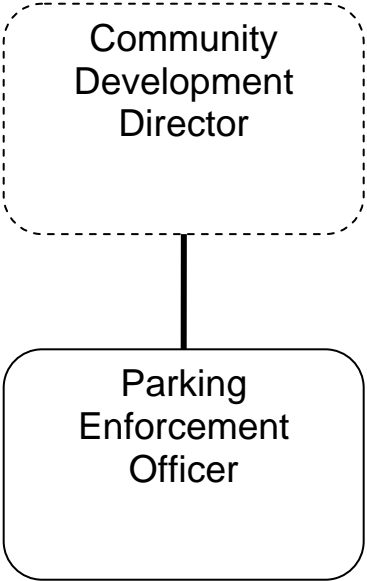
**COMMENTS:** The Transfer In is from the PERS Reserve Fund. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Capital Outlay in fiscal year 2012 is for the Central Square sidewalk and landscaping project that was not completed in fiscal year 2011.

**City of Klamath Falls  
Capital Outlay Schedule**

|                      |                     |
|----------------------|---------------------|
| <b>Fund: Parking</b> | <b>FY 2011-2012</b> |
|----------------------|---------------------|

| <b>Item</b>   | <b>Proposed Expenditure</b> |
|---|-----------------------------|
| Central Square Sidewalk Replacement and Landscaping | \$ 40,000                   |
| <b>TOTAL - PARKING FUND</b>                         | <b>\$ 40,000</b>            |

**PARKING FUND**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**Street Lighting Fund**

**The Street Lighting Fund accounts for the operation of the City's streetlights.  
Primary revenues are charges for services and franchise fees (20% of Pacific Power).**

**Estimated Revenue: \$1,059,325**

**Appropriated: \$998,150**

**Contingency: \$61,175**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**STREET LIGHTING FUND #213**

|                   |                   |                   | Fiscal Year 2012       |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category               | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 153,000           | Net Working Capital    | 176,425   | 176,425   | 176,425   | 61,175                       | 81,775                       |
|                   |                   | 318,550           | Intergovernmental      | 318,550   | 318,550   | 318,550   |                              |                              |
| 219,614           | 232,820           | 238,675           | Franchise Fees         | 251,675   | 251,675   | 251,675   | 257,950                      | 263,125                      |
| 184,753           | 191,676           | 192,625           | Charges for Services   | 191,325   | 191,325   | 191,325   | 191,800                      | 192,275                      |
| 1,820             | 924               | 1,000             | Investment Income      | 1,000     | 1,000     | 1,000     | 650                          | 950                          |
| 4,319             | 5,717             | 120,000           | Miscellaneous Revenue  | 120,000   | 120,000   | 120,000   |                              |                              |
|                   |                   |                   | Transfer In            | 350       | 350       | 350       | 375                          |                              |
| 410,506           | 431,137           | 1,023,850         | <b>Total Resources</b> | 1,059,325 | 1,059,325 | 1,059,325 | 511,950                      | 538,125                      |

**COMMENTS:** Intergovernmental revenues budgeted in FY 2012 are the same as in FY 2011. The project to replace the bulbs to high efficiency did not occur this fiscal year. The Intergovernmental revenues consist of \$225,250 from the State of Oregon Department of Energy, American Recovery and Reinvestment Act of 2009, Energy Efficiency and Conservation Block Grant; and \$93,300 from Energy Trust of Oregon utility incentives. Miscellaneous revenue in FY 2012 is a rebate of \$120,000 from Energy Trust of Oregon for high efficiency lighting projects. The Miscellaneous revenue is also the same as FY 2011. Transfer In consists of a transfer from the PERS reserve fund in the amount of \$350.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**STREET LIGHTING FUND #213  
OPERATIONS DEPARTMENT #1200**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 346,326           | 347,080           | 361,950           | Materials & Services      | 372,975          | 372,975  | 372,975 | 363,975                      | 376,900                      |
| 21,535            | 7,160             | 488,600           | Capital Outlay            | 609,050          | 609,050  | 609,050 | 50,000                       | 25,000                       |
| 20,125            |                   |                   | Transfer Out              |                  |          |         |                              |                              |
| 387,986           | 354,240           | 850,550           | <b>Total Requirements</b> | 982,025          | 982,025  | 982,025 | 413,975                      | 401,900                      |

**COMMENTS:** Materials and services reflects power costs at 100% normal for FY 2012 with a 10% energy savings reduction in FY 2013. When all the street light bulbs are changed out, we will have a better picture of the true savings. Capital outlay is for the installation of high efficiency street lighting bulbs, purchase of a new basket truck, mapping of all the street lights in the GIS system, and a new HVAC system in the building.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**STREET LIGHTING FUND #213  
PUBLIC WORKS ADMINISTRATION DEPARTMENT #7100**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
| 10,570            | 10,425            | 11,400            | Personal Services         | 11,975           | 11,975   | 11,975  | 12,475                       | 13,225                       |
| 3,026             | 2,719             | 3,400             | Materials & Services      | 3,425            | 3,425    | 3,425   | 3,725                        | 3,975                        |
|                   |                   |                   | Capital Outlay            | 725              | 725      | 725     |                              |                              |
|                   | 200               | 200               | Transfer Out              |                  |          |         |                              |                              |
| 13,596            | 13,344            | 15,000            | <b>Total Requirements</b> | 16,125           | 16,125   | 16,125  | 16,200                       | 17,200                       |

**COMMENTS:** Street lighting fund pays 5.5% of Public Works administration budget. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**RESERVE, CONTINGENCY & UNAPPROPRIATED**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|--------------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                                | Proposed         | Approved  | Adopted   |                              |                              |
|                   |                   | 40,000            | Equipment Reserve              | 10,000           | 10,000    | 10,000    | 20,000                       | 30,000                       |
|                   |                   | 118,300           | Contingency                    | 51,175           | 51,175    | 51,175    | 61,775                       | 89,025                       |
|                   |                   | 158,300           | Total Requirement              | 61,175           | 61,175    | 61,175    | 81,775                       | 119,025                      |
| 401,582           | 367,584           | 1,023,850         | <b>Total Fund Requirements</b> | 1,059,325        | 1,059,325 | 1,059,325 | 511,950                      | 538,125                      |

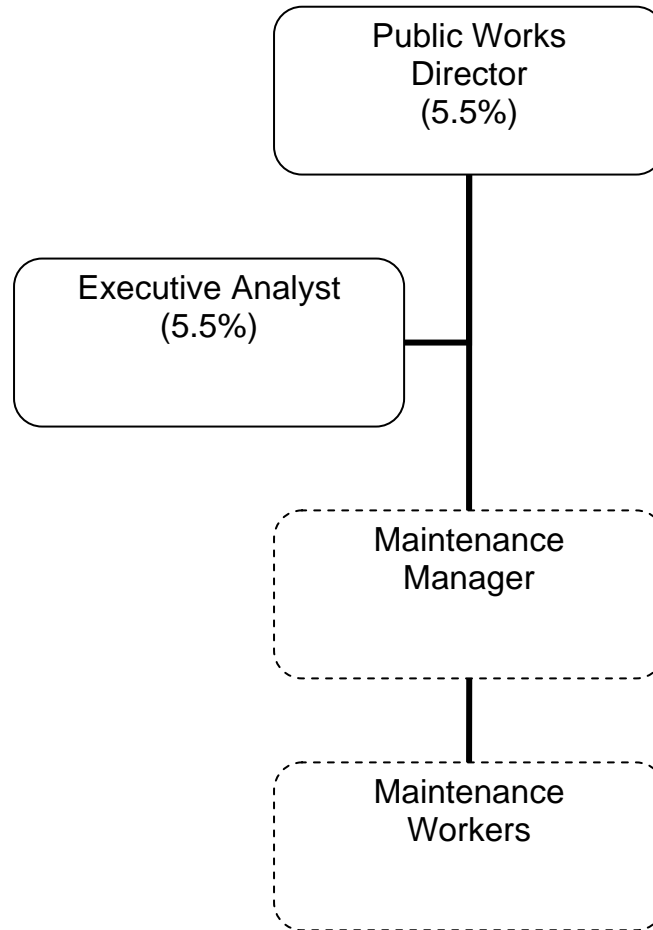
**COMMENTS:** After the purchase of a new basket truck in FY 2012, the Street Lighting Fund will once again start setting aside \$10,000 per year for another basket truck in FY 2022.

**City of Klamath Falls  
Capital Outlay Schedule**

|                              |                     |
|------------------------------|---------------------|
| <b>Fund: Street Lighting</b> | <b>FY 2011-2012</b> |
|------------------------------|---------------------|

| <b>Item</b>                              | <b>Proposed Expenditure</b> |
|--|-----------------------------|
| High efficiency bulb installation        | \$ 458,600                  |
| HVAC system for building                 | 10,000                      |
| Basket truck                             | 100,000                     |
| VuWorks mapping for GIS system           | 15,450                      |
| Street lights installed in annexed areas | 25,000                      |
| PW Admin Copier (\$12,650) 5.5%          | 725                         |
| <b>TOTAL - STREET LIGHTING FUND</b>      | <b>\$ 609,775</b>           |

**STREET LIGHTING DIVISION**  
**Organizational Chart**  
**FY 2011-2012**



***CITY OF KLAMATH FALLS***

**Wastewater**

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

**Estimated Revenue: \$12,693,000**

**Appropriated: \$7,130,350**

**Contingency: \$1,071,075**

**Unappropriated: \$4,491,000**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WASTEWATER FUND #501**

|                   |                   |                   | Fiscal Year 2012          |            |            |            |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|------------|------------|------------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed   | Approved   | Adopted    | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 3,931,175         | Net Working Capital       | 5,446,600  | 5,446,600  | 5,446,600  | 5,562,650                    | 6,130,125                    |
|                   | 47,065            | 105,000           | Intergovernmental Revenue | 343,200    | 343,200    | 343,200    |                              |                              |
| 4,808,706         | 5,968,846         | 6,528,100         | Charges for Services      | 6,298,750  | 6,298,750  | 6,298,750  | 6,510,900                    | 6,755,100                    |
| 445,095           | 383,645           | 25,825            | Investment Income         | 28,250     | 28,250     | 28,250     | 29,400                       | 31,700                       |
| 65,920            | 225,953           | 71,850            | Miscellaneous Revenue     | 35,325     | 35,325     | 35,325     | 35,325                       | 35,325                       |
|                   |                   |                   | Other Financing Source    | 500,000    | 500,000    | 500,000    | 6,500,000                    | 33,000,000                   |
|                   | 60,633            | 410,825           | Transfer In               | 40,875     | 40,875     | 40,875     | 41,075                       |                              |
| 5,319,721         | 6,686,142         | 11,072,775        | <b>Total Resources</b>    | 12,693,000 | 12,693,000 | 12,693,000 | 18,679,350                   | 45,952,250                   |

**COMMENTS:** Intergovernmental revenue is a grant from the EPA for the California Station Force Main. Charges for Services consists of: operating charges in the amount of \$3,925,400, TMDL charges in the amount of \$316,575, capital charges in the amount of \$1,538,500 and Cogeneration charges in the amount of \$518,275. The budgeted revenues reflect a 1.5% CPI plus 5% rate increase for January 2012. The Other Financing Source is half of the Clean Water State Revolving Fund Loan from the State of Oregon through the DEQ. FY 2013 reflects additional borrowing of funds.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WASTEWATER FUND #501  
COLLECTIONS DIVISION #4100**

|                   |                   |                   | Fiscal Year 2012          |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 522,696           | 512,631           | 563,775           | Personal Services         | 517,675   | 517,675   | 517,675   | 534,450                      | 567,950                      |
| 720,417           | 726,595           | 835,900           | Materials & Services      | 975,275   | 975,275   | 975,275   | 988,875                      | 1,026,550                    |
| 239,405           | 315,787           | 590,000           | Capital Outlay            | 1,230,000 | 1,230,000 | 1,230,000 | 485,000                      | 385,000                      |
|                   | 9,175             | 9,350             | Transfer Out              |           |           |           |                              |                              |
| 1,482,518         | 1,564,188         | 1,999,025         | <b>Total Requirements</b> | 2,722,950 | 2,722,950 | 2,722,950 | 2,008,325                    | 1,979,500                    |

**COMMENTS:** Personal Services also reflects the shift of one employee from the Collections Department to the Treatment Department. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials & Services has increased due to repairs & maintenance costs associated with failing infrastructure and increased professional service costs for TMDL issues and capital needs planning.

**TREATMENT DIVISION #4200**

|                   |                   |                   | Fiscal Year 2012          |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 556,740           | 548,899           | 591,900           | Personal Services         | 709,500   | 709,500   | 709,500   | 737,325                      | 783,575                      |
| 1,422,809         | 1,503,687         | 1,753,425         | Materials & Services      | 1,665,950 | 1,665,950 | 1,665,950 | 1,723,275                    | 1,783,075                    |
|                   | 133,293           | 122,500           | Capital Outlay            | 729,175   | 729,175   | 729,175   | 6,736,050                    | 33,243,150                   |
|                   | 9,800             | 10,100            | Transfer Out              |           |           |           |                              |                              |
| 1,979,549         | 2,195,679         | 2,477,925         | <b>Total Requirements</b> | 3,104,625 | 3,104,625 | 3,104,625 | 9,196,650                    | 35,809,800                   |

**COMMENTS:** Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. The reduction in Materials & Services reflects the reduction in water consumption and costs associated with the Cogeneration Plant operations.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WASTEWATER FUND #501  
BILLING DIVISION #4300**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 135,142           | 137,600           | 158,925           | Personal Services         | 146,175  | 146,175  | 146,175 | 139,575                      | 146,925                      |
| 86,770            | 93,927            | 111,525           | Materials & Services      | 114,800  | 114,800  | 114,800 | 113,100                      | 113,150                      |
| 39,850            | 2,425             | 2,675             | Transfer Out              |          |          |         |                              |                              |
|                   |                   |                   | Debt Service              | 2,250    | 2,250    | 2,250   | 9,000                        | 9,000                        |
| 261,762           | 233,952           | 273,125           | <b>Total Requirements</b> | 263,225  | 263,225  | 263,225 | 261,675                      | 269,075                      |

**COMMENTS:** Personal Services has a retirement pay-off budgeted for the current Utility Billing Manager, changing the manager position to a supervisor position, and the reduction of one staff member through attrition. The Wastewater Fund pays for 1/3 of the costs of the aforementioned positions. Debt Service represents payments to remodel the old Amerititle building to be occupied by the Finance and Utility Billing Department in April of 2012. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**PW ADMINISTRATION DEPARTMENT #7100**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 61,626            | 60,098            | 66,625            | Personal Services         | 67,775   | 67,775   | 67,775  | 69,925                       | 74,175                       |
| 16,956            | 15,087            | 19,075            | Materials & Services      | 18,200   | 18,200   | 18,200  | 18,600                       | 19,000                       |
|                   |                   |                   | Capital Outlay            | 3,975    | 3,975    | 3,975   |                              |                              |
|                   | 1,150             | 1,200             | Transfer Out              |          |          |         |                              |                              |
| 78,582            | 76,335            | 86,900            | <b>Total Requirements</b> | 89,950   | 89,950   | 89,950  | 88,525                       | 93,175                       |

**COMMENTS:** There are no significant changes in the Public Works Administration department. Wastewater pays 31.5% of PW Admin costs. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WASTEWATER FUND #501 – DEBT SERVICE, CONTINGENCY & UNAPPROPRIATED**

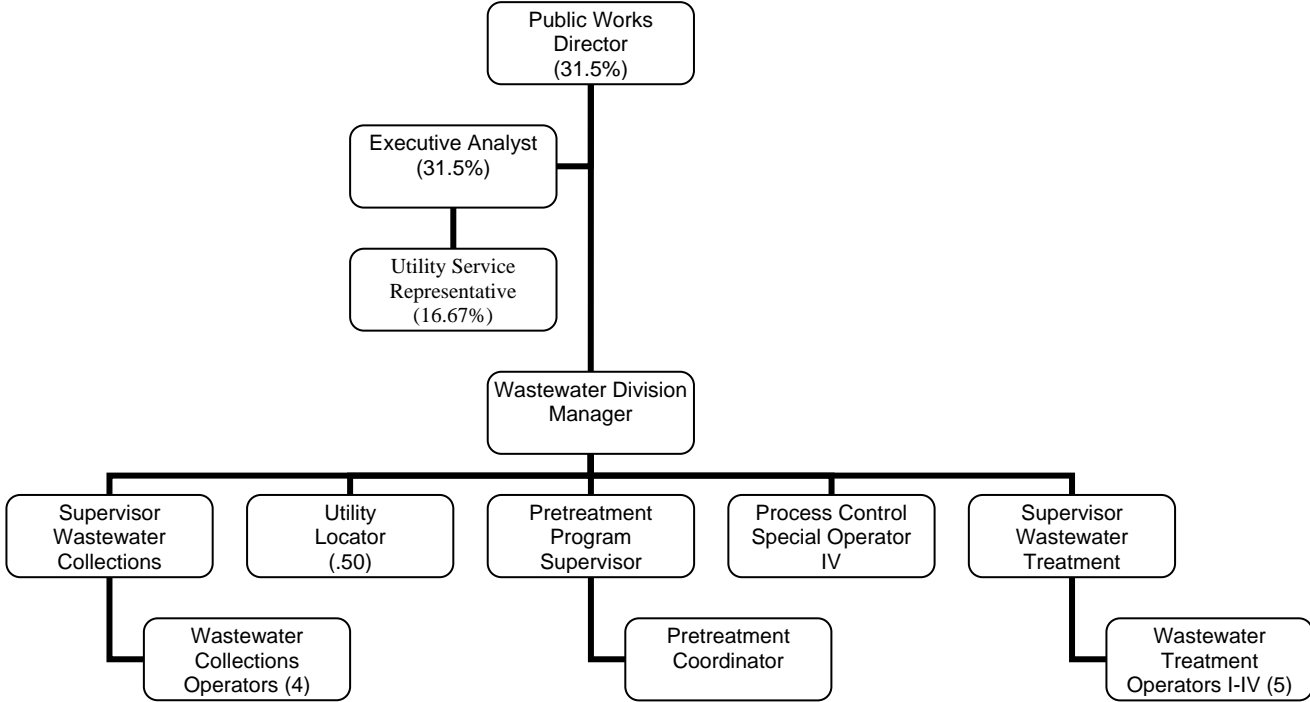
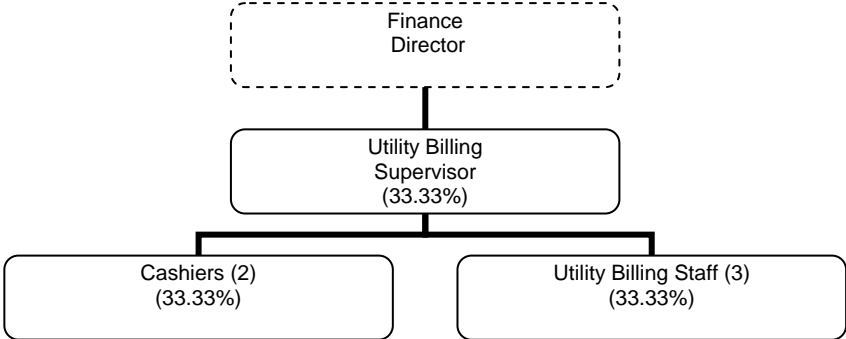
|                   |                   |                   | Fiscal Year 2012                            |            |            |            |                              |                              |
|-------------------|-------------------|-------------------|---|------------|------------|------------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                                    | Proposed   | Approved   | Adopted    | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
| 1,436,022         | 11,135,241        | 944,400           | Debt Service                                | 949,600    | 949,600    | 949,600    | 994,050                      | 1,412,350                    |
|                   |                   | 621,100           | Contingency                                 | 1,071,650  | 1,071,650  | 1,071,650  | 1,884,125                    | 1,888,350                    |
|                   |                   | 4,670,300         | Unappropriated                              | 4,491,000  | 4,491,000  | 4,491,000  | 4,246,000                    | 4,500,000                    |
| 1,436,022         | 11,135,241        | 6,235,800         | <b>Total Debt Service &amp; Contingency</b> | 6,512,250  | 6,512,250  | 6,512,250  | 7,124,175                    | 7,800,700                    |
| 5,238,433         | 15,205,395        | 11,072,775        | <b>Total Fund Requirements</b>              | 12,693,000 | 12,693,000 | 12,693,000 | 18,679,350                   | 45,952,250                   |

**COMMENTS:** The Debt Service increase in 2013 and thereafter reflects the payment on the loan(s) from DEQ. Contingency is budgeted at 15% of appropriations with the remaining fund balance unappropriated for the treatment plant capital improvements scheduled to begin in FY 2014.

# WASTEWATER DIVISION

## Organizational Chart

### FY 2011-2012



**City of Klamath Falls  
Capital Outlay Schedule**

**Fund: Wastewater**

**FY 2011-2012**

| <b>Item</b>   | <b>Proposed Expenditure</b> |                  |
|---|-----------------------------|------------------|
| <b>WASTEWATER COLLECTIONS</b>                               |                             |                  |
| California Lift Station Force Main (Grant Funded \$343,200) | \$                          | 1,063,000        |
| NPDES Sampling Equipment                                    |                             | 20,000           |
| GIS System  |                             | 27,000           |
| SCADA Installation  |                             | 20,000           |
| Lift Station Upgrades/Rehabilitation                        |                             | 75,000           |
| Storm Pump Station Upgrade                                  |                             | 25,000           |
| TOTAL COLLECTIONS CAPITAL OUTLAY                            | \$                          | 1,230,000        |
| <b>WASTEWATER TREATMENT</b>                                 |                             |                  |
| Design Improvements to the Headworks (Loan Funded)          | \$                          | 500,000          |
| Treatment Plant Digester Cleaning                           |                             | 50,000           |
| HVAC for Laboratory and Admin Building                      |                             | 50,000           |
| Perimeter Safety Fence                                      |                             | 50,000           |
| Digester Circulation Pump                                   |                             | 40,000           |
| Programmable Logical Controller                             |                             | 27,500           |
| GIS System  |                             | 11,675           |
| TOTAL TREATMENT PLANT CAPITAL OUTLAY                        | \$                          | 729,175          |
| PW Admin Copier (\$12,650) 31.5%                            | \$                          | 3,975            |
| <b>TOTAL WASTEWATER CAPITAL OUTLAY</b>                      | <b>\$</b>                   | <b>1,963,150</b> |

***CITY OF KLAMATH FALLS***

**Water Fund**

**The Water Fund is an enterprise fund that accounts for the expansion, operation and maintenance of the City's water supply system. Revenues consist of charges for services.**

**Estimated Revenue: \$11,581,275**

**Appropriated: \$8,385,925**

**Contingency: \$1,195,350**

**Unappropriated: \$2,000,000**

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WATER FUND #502**

|                   |                   |                   | Fiscal Year 2012        |            |            |            |                              |                              |
|-------------------|-------------------|-------------------|-------------------------|------------|------------|------------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                | Proposed   | Approved   | Adopted    | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   |                   | <b>RESOURCES</b>        |            |            |            |                              |                              |
|                   |                   | 5,164,650         | Net Working Capital     | 4,497,850  | 4,497,850  | 4,497,850  | 3,195,350                    | 1,874,275                    |
| 6,604,532         | 6,698,284         | 6,900,550         | Charges for Services    | 6,435,550  | 6,435,550  | 6,435,550  | 6,517,325                    | 6,586,325                    |
| 150,906           | 110,561           | 70,750            | Investment Income       | 28,200     | 28,200     | 28,200     | 22,050                       | 15,475                       |
| 98,830            | 178,686           | 76,900            | Miscellaneous Revenue   | 69,825     | 69,825     | 69,825     | 69,825                       | 69,825                       |
|                   |                   |                   | Other Financing Sources | 210,000    | 210,000    | 210,000    | 2,400,000                    |                              |
|                   |                   |                   | Transfer In             | 49,275     | 49,275     | 49,275     | 49,525                       |                              |
| 6,854,268         | 6,987,531         | 12,212,850        | <b>Total Resources</b>  | 11,290,700 | 11,290,700 | 11,290,700 | 12,254,075                   | 8,545,900                    |

**COMMENTS:** Net Working Capital has declined with major capital improvements accomplished this FY 2011, such as the California Ave. Waterline Project and the Altamont Dr. Waterline Project. Charges for Services have declined with the weather and the reduced usage of potable water by the Cogeneration plant. Water revenues for the first six (6) months of FY 2011 were down 3.7% (\$141,585) from FY 2010, and Cogeneration water usage for the first ten (10) months was down 48.9% (\$180,644) from FY 2010. Council also eliminated the 6% Parks surcharge on the Parks irrigation water and the Cogeneration cooling water which caused a decline in revenues. We have adjusted budgeted revenues for FY 2012 accordingly with an estimated CPI increase in January 2012 of 1.5%. Miscellaneous Revenue includes SDC's which are down slightly from FY 2011 budget. The Other Financing Source is from the Biomass plant for capital improvements to provide cooling water for their operation.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WATER FUND #502  
OPERATIONS DIVISION #4400**

|                   |                   |                   | Fiscal Year 2012          |           |           |           |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|-----------|-----------|-----------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed  | Approved  | Adopted   | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   |                   | <b>REQUIREMENTS</b>       |           |           |           |                              |                              |
| 889,533           | 812,934           | 988,025           | Personal Services         | 950,675   | 950,675   | 950,675   | 982,825                      | 1,043,950                    |
| 2,261,157         | 2,070,718         | 2,489,525         | Materials & Services      | 2,474,850 | 2,474,850 | 2,474,850 | 2,544,375                    | 2,652,250                    |
| 2,001,629         | 1,920,536         | 2,420,000         | Capital Outlay            | 2,522,800 | 2,522,800 | 2,522,800 | 4,697,850                    | 2,343,825                    |
|                   | 17,650            | 17,900            | Transfer Out              |           |           |           |                              |                              |
| 5,152,319         | 4,821,838         | 5,915,450         | <b>Total Requirements</b> | 5,948,325 | 5,948,325 | 5,948,325 | 8,225,050                    | 6,040,025                    |

**COMMENTS:** Personal Services reflects the reduction in the salary and benefits of the new Water manager vs. the past retired manager. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Materials & Services budget has decreased with less outside professional service contracts needed.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WATER FUND #502  
BILLING DEPARTMENT #4600**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   |                   | <b>REQUIREMENTS</b>       |          |          |         |                              |                              |
| 564,896           | 567,862           | 654,975           | Personal Services         | 633,025  | 633,025  | 633,025 | 632,275                      | 672,425                      |
| 183,717           | 195,028           | 237,525           | Materials & Services      | 238,275  | 238,275  | 238,275 | 228,600                      | 236,075                      |
|                   |                   |                   | Debt Service              | 3,050    | 3,050    | 3,050   | 18,025                       | 18,025                       |
| 63,650            | 10,050            | 10,675            | Transfer Out              |          |          |         |                              |                              |
| 812,263           | 772,940           | 903,175           | <b>Total Requirements</b> | 874,350  | 874,350  | 874,350 | 878,900                      | 926,525                      |

**COMMENTS:** Personal Services has a retirement pay-off budgeted for the current Utility Billing manager, the downsizing of the manager position to a supervisor position and the reduction of one staff through attrition. The Water Fund pays for 2/3 the costs of these positions and 100% of the cost of the meter reader and serviceman positions. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. Debt Service represents payments to remodel the old Amerititle building to be occupied by the Finance and Utility Billing Departments in April of 2012.

**PW ADMINISTRATION DEPARTMENT #7100**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   |                   | <b>REQUIREMENTS</b>       |          |          |         |                              |                              |
| 61,581            | 60,098            | 66,625            | Personal Services         | 67,775   | 67,775   | 67,775  | 69,925                       | 74,175                       |
| 16,956            | 15,086            | 19,100            | Materials & Services      | 18,200   | 18,200   | 18,200  | 18,600                       | 19,000                       |
|                   |                   |                   | Capital Outlay            | 3,975    | 3,975    | 3,975   |                              |                              |
|                   | 1,150             | 1,200             | Transfer Out              |          |          |         |                              |                              |
| 78,537            | 76,334            | 86,925            | <b>Total Requirements</b> | 89,950   | 89,950   | 89,950  | 88,525                       | 93,175                       |

**COMMENTS:** No significant changes to the PW Administration Department of the water fund. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined.

**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

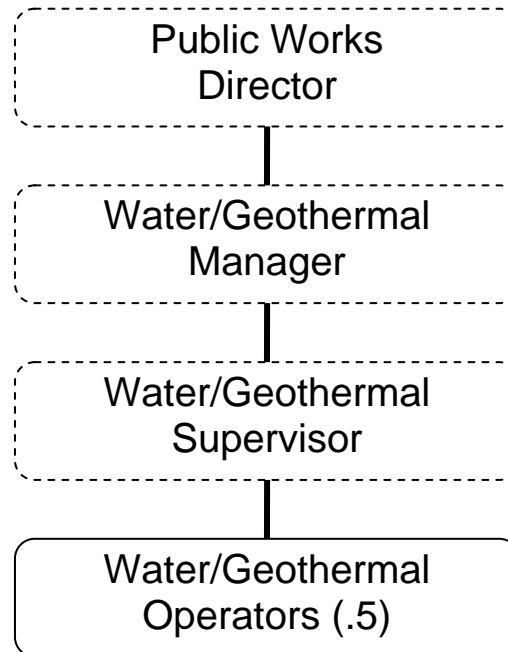
**WATER FUND #502/GEOTHERMAL DIVISION #4700**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
|                   |                   |                   | <b>RESOURCES</b>          |                  |          |         |                              |                              |
|                   | 57,462            | 45,000            | Intergovernmental         |                  |          |         |                              |                              |
| 265,461           | 251,792           | 231,975           | Charges for Services      | 290,200          | 290,200  | 290,200 | 292,875                      | 295,625                      |
| 1,595             | 528               | 425               | Investment Income         | 375              | 375      | 375     | 400                          | 400                          |
|                   | 800,000           |                   | Other Financing Source    |                  |          |         |                              |                              |
| 267,056           | 1,109,782         | 277,400           | <b>Total Resources</b>    | 290,575          | 290,575  | 290,575 | 293,275                      | 296,025                      |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |          |         |                              |                              |
| 3,476             | 92,304            | 86,300            | Personal Services         | 44,625           | 44,625   | 44,625  | 45,900                       | 48,900                       |
| 142,370           | 149,764           | 184,300           | Materials & Services      | 182,525          | 182,525  | 182,525 | 186,475                      | 190,800                      |
| 229,224           | 968,251           |                   | Capital Outlay            |                  |          |         |                              |                              |
| 8,296             | 8,389             | 64,825            | Debt Service              | 66,450           | 66,450   | 66,450  | 66,450                       | 66,450                       |
| 383,366           | 1,218,708         | 335,425           | <b>Total Requirements</b> | 293,600          | 293,600  | 293,600 | 298,825                      | 306,150                      |

**COMMENTS:** Charges for Services has increased with the rate increase (80% of natural gas commercial rate) that follows Avista, sidewalk snowmelt for Timbermill Shores and the anticipation of the geothermal revenues for the Veteran's Memorial Snowmelt and new Finance/Utility billing building.

Barring any major emergency, the geothermal department uses 1/2 an FTE for maintenance of the system. Any negotiated and approved increases in salary or benefit co-pays are as yet undetermined. There is no significant change in Materials & Services.

**GEOHERMAL DIVISION**  
**Organizational Chart**  
**FY 2011-2012**



**BUDGET SUMMARY  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**WATER FUND #502 – DEBT SERVICE, CONTINGENCY & UNAPPROPRIATED**

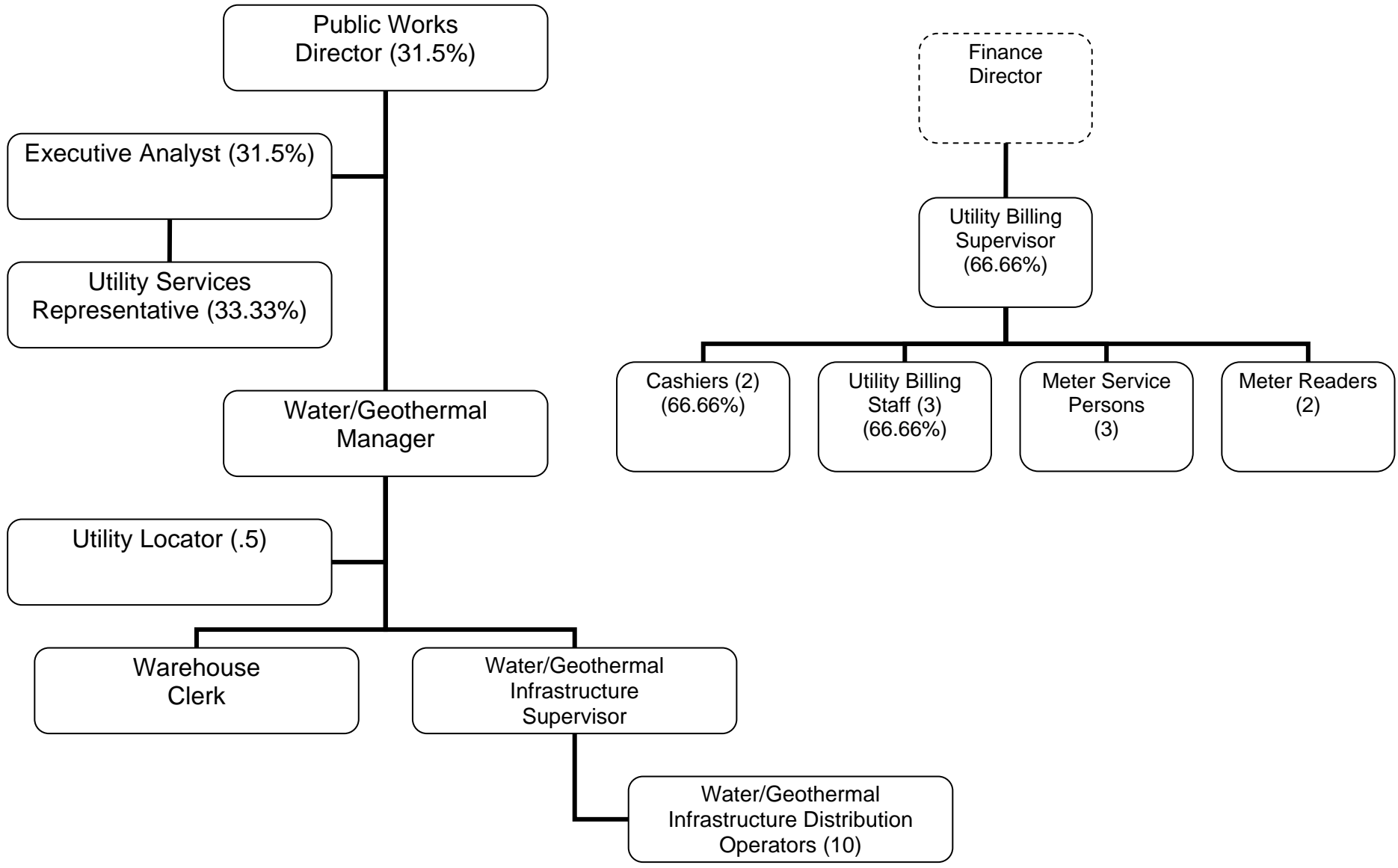
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Fiscal Year 2012 |            |            | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|--------------------------------|------------------|------------|------------|------------------------------|------------------------------|
|                   |                   |                   |                                | Proposed         | Approved   | Adopted    |                              |                              |
|                   |                   |                   | <b>TOTAL FUND CONTINGENCY</b>  |                  |            |            |                              |                              |
| 832,488           | 828,095           | 836,100           | Debt Service                   | 835,525          | 835,525    | 835,525    | 833,400                      | 833,850                      |
| 428,081           | 369,904           | 362,275           | Transfer Out                   | 344,175          | 344,175    | 344,175    | 348,375                      | 352,150                      |
|                   |                   | 1,265,900         | Contingency                    | 1,195,350        | 1,195,350  | 1,195,350  | 1,124,275                    | 290,050                      |
|                   |                   | 2,785,000         | Unappropriated                 | 2,000,000        | 2,000,000  | 2,000,000  | 750,000                      |                              |
| 1,260,569         | 1,197,999         | 5,249,275         | <b>Total Department</b>        | 4,375,050        | 4,375,050  | 4,375,050  | 3,056,050                    | 1,476,050                    |
| 7,687,054         | 8,087,819         | 12,490,250        | <b>Total Fund Requirements</b> | 11,581,275       | 11,581,275 | 11,581,275 | 12,547,350                   | 8,841,925                    |

**COMMENTS:** The Transfer Out is the 6% water surcharge for the Parks Fund. Contingency is budgeted at 16% of appropriations (excluding debt service) with the remaining fund balance in unappropriated for future capital improvements.

# WATER DIVISION

## Organizational Chart

### FY 2011-2012



## City of Klamath Falls Capital Outlay Schedule

| Item   | Proposed Expenditure |
|--|----------------------|
| <b>WATER CAPITAL</b>                                       |                      |
| Altamont Drive Phase II Boardman Ave to Hilyard Ave        | \$ 325,000           |
| Bisbee Street Waterline Replacement Phase II               | 455,000              |
| Adams Street Water Line Replacement                        | 147,000              |
| Stinson Way Waterline Replacement                          | 195,000              |
| Meter Replacement Program                                  | 250,000              |
| Pelican Booster Station and Waterline Installation Phase I | 450,000              |
| California Street Landscape Project                        | 95,000               |
| Mach Street Waterline Replacement                          | 150,800              |
| Etna Street Waterline Replacement Design Only              | 35,000               |
| Center Reservoir Recondition                               | 200,000              |
| Lynnewood Booster Generator                                | 10,000               |
| PW Administration Copier (\$12,650) 31.5%                  | 3,975                |
| Transmission Pipeline Upgrade (Developer Funded)           | 200,000              |
| Debbie Well Generator (Developer Funded)                   | 10,000               |
| <b>Total Water Capital Outlay</b>                          | <b>\$ 2,526,775</b>  |

***CITY OF KLAMATH FALLS***

**OTHER FUNDS**

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012  
CEMETERY FUND #201**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                       | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|--------------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                                | Proposed         | Approved | Adopted |                              |                              |
|                   |                   | 139,250           | Net Working Capital            | 198,325          | 198,325  | 198,325 | 254,100                      | 374,325                      |
| 7,532             |                   |                   | Taxes Previously Levied        |                  |          |         |                              |                              |
| 133,833           | 30,796            |                   | Charges for Services           |                  |          |         |                              |                              |
| 3,590             | 10,207            | 15,150            | Investment Income              | 12,150           | 12,150   | 12,150  | 5,175                        | 1,875                        |
| 23,809            | 52,078            | 40,325            | Miscellaneous Revenues         | 43,625           | 43,625   | 43,625  | 115,050                      |                              |
| 14,039            | 32                |                   | Transfer In                    |                  |          |         |                              |                              |
| 182,803           | 93,113            | 194,725           | Total Resources Except Taxes   | 254,100          | 254,100  | 254,100 | 374,325                      | 376,200                      |
|                   |                   |                   | Taxes Necessary to Balance     |                  |          |         |                              |                              |
| 155,395           |                   |                   | Taxes Collected in Year Levied |                  |          |         |                              |                              |
| 338,198           | 93,113            | 194,725           | <b>Total Resources</b>         | 254,100          | 254,100  | 254,100 | 374,325                      | 376,200                      |
|                   |                   |                   | <b>REQUIREMENTS</b>            |                  |          |         |                              |                              |
| 170,983           | 49,176            |                   | Personal Services              |                  |          |         |                              |                              |
| 111,098           | 58,557            |                   | Materials and Services         |                  |          |         |                              |                              |
| 30,538            |                   |                   | Capital Outlay                 |                  |          |         |                              |                              |
|                   | 825               |                   | Transfer Out                   |                  |          |         |                              |                              |
|                   |                   | 194,725           | Contingency                    | 254,100          | 254,100  | 254,100 | 374,325                      | 376,200                      |
| 312,619           | 108,558           | 194,725           | <b>Total Requirements</b>      | 254,100          | 254,100  | 254,100 | 374,325                      | 376,200                      |

**COMMENTS:** Klamath Memorial Park was sold in November 2009. Monthly payments are being received from the buyer and a balloon payment is scheduled for December of 2012. Council has directed that these funds be held in reserve.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**FOOTPATHS/BICYCLE TRAILS FUND #214**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 54,075            | Net Working Capital       | 65,075   | 65,075   | 65,075  | 21,125                       |                              |
| 8,156             | 8,880             | 9,450             | Intergovernmental         | 10,925   | 10,925   | 10,925  | 101,200                      | 11,375                       |
| 831               | 364               | 300               | Investment Income         | 125      | 125      | 125     | 125                          | 25                           |
| 8,987             | 9,244             | 63,825            | <b>Total Resources</b>    | 76,125   | 76,125   | 76,125  | 122,450                      | 11,400                       |
|                   |                   |                   | <b>REQUIREMENTS</b>       |          |          |         |                              |                              |
|                   |                   | 55,000            | Capital Outlay            | 55,000   | 55,000   | 55,000  | 122,450                      | 11,400                       |
|                   |                   | 8,825             | Contingency               | 21,125   | 21,125   | 21,125  |                              |                              |
|                   |                   | 63,825            | <b>Total Requirements</b> | 76,125   | 76,125   | 76,125  | 122,450                      | 11,400                       |

**COMMENTS:** By state law 1% of all gas tax receipts are dedicated for use on pedestrian footpaths and bicycle trails. The revenue increase reflects the phased-in state increase in gas taxes. Capital in the amount of \$55,000 was budgeted in the current fiscal year 2011 to help fund a portion of the sidewalk on Eldorado. This will not be accomplished this year and is re-budgeted in fiscal year 2012 in the amount of \$55,000. In fiscal year 2013 the city will be using \$90,000 of Federal Forest Receipts as well as the 1% gas tax receipts to construct a sidewalk on Avalon Street when the Lowe's Home Improvement Store is built.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**DOWNTOWN MAINTENANCE DISTRICT FUND #218**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
|                   |                   | 1,325             | Net Working Capital       | 5,775            | 5,775    | 5,775   | 5,000                        | 5,000                        |
| 19,919            | 18,057            | 18,150            | Charges for Services      | 19,400           | 19,400   | 19,400  | 19,400                       | 19,400                       |
| 344               | 78                | 75                | Investment Income         | 50               | 50       | 50      | 50                           | 50                           |
| 20,263            | 18,135            | 19,550            | <b>Total Resources</b>    | 25,225           | 25,225   | 25,225  | 24,450                       | 24,450                       |
|                   |                   |                   |                           |                  |          |         |                              |                              |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |          |         |                              |                              |
| 20,922            | 17,478            | 19,125            | Materials & Services      | 20,225           | 20,225   | 20,225  | 19,450                       | 19,450                       |
|                   |                   | 425               | Contingency               | 5,000            | 5,000    | 5,000   | 5,000                        | 5,000                        |
| 20,922            | 17,478            | 19,550            | <b>Total Requirements</b> | 25,225           | 25,225   | 25,225  | 24,450                       | 24,450                       |

**COMMENTS:** Resolution No.10-06 was approved creating an Economic Improvement District (EID) for downtown maintenance activities. The costs include trash collection on Main Street, payment of the geothermal to provide snow melt in the intersections, and repairs and maintenance of the associated infrastructure.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**ECONOMIC DEVELOPMENT/PROPERTY FUND #271**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
|                   |                   | 254,875           | Net Working Capital       | 167,575          | 167,575  | 167,575 | 93,150                       | 18,500                       |
| 35,130            | 34,118            | 835,350           | Intergovernmental         |                  |          |         |                              |                              |
| 9,375             | 26,350            | 11,850            | Charges for Services      | 11,350           | 11,350   | 11,350  | 11,350                       | 11,350                       |
| 17,315            | 6,563             | 750               | Investment Income         | 750              | 750      | 750     | 750                          | 750                          |
|                   | 3,594             |                   | Miscellaneous             | 525              | 525      | 525     | 525                          | 525                          |
| 61,820            | 70,625            | 1,102,825         | <b>Total Resources</b>    | 180,200          | 180,200  | 180,200 | 105,775                      | 31,125                       |
|                   |                   |                   |                           |                  |          |         |                              |                              |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |          |         |                              |                              |
| 75,420            | 138,551           | 935,225           | Materials & Services      | 87,050           | 87,050   | 87,050  | 87,275                       | 26,275                       |
| 279,099           | 80,000            |                   | Transfer Out              |                  |          |         |                              |                              |
|                   |                   | 167,600           | Contingency               | 93,150           | 93,150   | 93,150  | 18,500                       | 4,850                        |
| 354,519           | 218,551           | 1,102,825         | <b>Total Requirements</b> | 180,200          | 180,200  | 180,200 | 105,775                      | 31,125                       |

**COMMENTS:** This fund accounts for the economic development activities of the City. The main source of revenue comes from the proceeds of the sale of property. We do not anticipate any new sales for the coming years. Both KCEDA and SCOEDD requested an increase in their funding from \$25,000 to \$30,000, but due to the economy funding remains at \$25,000 each. SCOEDD will continue to receive \$725 per quarter for Enterprise Zone oversight. As the contingency dwindles in this fund, there will be nothing available for economic development after 2013 unless Council approves funding from another source.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**TECHNOLOGY SERVICES FUND #281**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |                |                | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------------|----------------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved       | Adopted        |                              |                              |
|                   |                   | 287,700           | Net Working Capital       | 273,550          | 273,550        | 273,550        | 138,000                      |                              |
| 6,542             | 2,552             | 2,275             | Investment Income         | 1,350            | 1,350          | 1,350          | 700                          |                              |
| 271,325           | 35,000            | 35,000            | Transfer In               |                  |                |                | 35,000                       | 35,000                       |
| <b>277,867</b>    | <b>37,552</b>     | <b>324,975</b>    | <b>Total Resources</b>    | <b>274,900</b>   | <b>274,900</b> | <b>274,900</b> | <b>173,700</b>               | <b>35,000</b>                |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |                |                |                              |                              |
| 4,800             | 14,494            | 21,625            | Materials and Services    | 21,550           | 21,550         | 21,550         |                              |                              |
| 105,361           | 23,738            | 198,350           | Capital Outlay            | 115,350          | 115,350        | 115,350        | 173,700                      |                              |
|                   | 54,575            |                   | Transfers Out             |                  |                |                |                              |                              |
|                   |                   | 30,000            | Contingency               | 138,000          | 138,000        | 138,000        |                              |                              |
|                   |                   | 75,000            | Unappropriated            |                  |                |                |                              | 35,000                       |
| <b>110,161</b>    | <b>92,807</b>     | <b>324,975</b>    | <b>Total Requirements</b> | <b>274,900</b>   | <b>274,900</b> | <b>274,900</b> | <b>173,700</b>               | <b>35,000</b>                |

**COMMENTS:** The Technology Services Fund is a reserve fund for upgrading/replacing the main computer programs and hardware used by all City Departments. Programs/hardware to be purchased in FY 2012 include \$110,350 for customer service programs which will allow online payments and submittal of permit applications for engineering and planning, and \$5,000 for the operating system upgrade. The Materials & Services budget is for training costs on the new programs.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012  
FUND ESTABLISHED JUNE 4, 2004**

**PERS RESERVE FUND #282**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
|                   |                   | 608,075           | Net Working Capital       | 859,725          | 859,725  | 859,725 | 432,000                      |                              |
| 10,219            | 2,697             | 4,700             | Investment Income         | 2,150            | 2,150    | 2,150   |                              |                              |
|                   | 242,000           | 247,850           | Transfers In              |                  |          |         |                              |                              |
| 10,219            | 244,697           | 860,625           | <b>Total Resources</b>    | 861,875          | 861,875  | 861,875 | 432,000                      |                              |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |          |         |                              |                              |
|                   |                   |                   | Transfers Out             | 429,875          | 429,875  | 429,875 | 432,000                      |                              |
|                   |                   | 860,625           | Contingency               | 432,000          | 432,000  | 432,000 |                              |                              |
|                   |                   | 860,625           | <b>Total Requirements</b> | 861,875          | 861,875  | 861,875 | 432,000                      |                              |

**COMMENTS:** The City set aside funds for the rate increases that will take place in July 2011. The funds are being transferred back into the operating funds with personal services over a two year period to help offset the increased cost of the PERS and OPSRPS.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**BUILDING RESERVE FUND #285**

|                   |                   |                   | Fiscal Year 2012                    |           |           |           |                           |                              |  |
|-------------------|-------------------|-------------------|-------------------------------------|-----------|-----------|-----------|---------------------------|------------------------------|--|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                            | Proposed  | Approved  | Adopted   | Financial Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |  |
|                   |                   | 3,170,975         | Net Working Capital                 | 1,949,950 | 1,949,950 | 1,949,950 | 1,000,000                 |                              |  |
| 198,426           | 91,116            | 8,350             | Investment Income                   | 7,875     | 7,875     | 7,875     | 5,000                     | 125                          |  |
| 8,058,427         |                   |                   | Other Financing Source              |           |           |           |                           |                              |  |
|                   |                   |                   | Repayment of Loan                   | 9,000     | 9,000     | 9,000     | 54,000                    | 54,000                       |  |
| 234,416           | 500,000           | 350,000           | Transfer In                         |           |           |           |                           |                              |  |
| 8,491,269         | 591,116           | 3,529,325         | Total Resources Except Taxes Levied | 1,966,825 | 1,966,825 | 1,966,825 | 1,059,000                 | 54,125                       |  |
| 161,944           |                   |                   | Taxes Necessary to Balance          |           |           |           |                           |                              |  |
| 8,653,213         | 591,116           | 3,529,325         | <b>Total Resources</b>              | 1,966,825 | 1,966,825 | 1,966,825 | 1,059,000                 | 54,125                       |  |
|                   |                   |                   | <b>REQUIREMENTS</b>                 |           |           |           |                           |                              |  |
| 145,003           |                   |                   | Materials & Services                |           |           |           |                           |                              |  |
| 1,509,267         | 5,454,136         | 1,599,950         | Capital Outlay                      | 966,825   | 966,825   | 966,825   | 1,059,000                 |                              |  |
| 396,360           |                   |                   | Debt Service                        |           |           |           |                           |                              |  |
|                   |                   | 1,929,375         | Contingency                         | 1,000,000 | 1,000,000 | 1,000,000 |                           |                              |  |
|                   |                   |                   | Unappropriated                      |           |           |           |                           | 54,125                       |  |
| 2,050,630         | 5,454,136         | 3,529,325         | <b>Total Requirements</b>           | 1,966,825 | 1,966,825 | 1,966,825 | 1,059,000                 | 54,125                       |  |

**COMMENTS:** This fund will pay for the remodel of the Finance/Utility Billing building purchased in FY 2011. The resources reflect the repayment from the Finance and Utility Billing departments for the remodel. Other capital budgeted includes the solar panels for the Police building and the possible purchase of the Fairway Plumbing building to house the Wastewater Vaccons and other equipment. The balance of the fund has been budgeted in Contingency awaiting the outcome of the Airport Runway litigation. If the remaining funds are not needed elsewhere in FY 2012, capital has been tentatively identified in fiscal year 2013 for remodeling the City Hall Annex building and accessibility improvements for the old City Hall building.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**ESCROW RESERVE FUND #287**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                        | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                                 | Proposed         | Approved  | Adopted   |                              |                              |
|                   |                   | 1,094,450         | Net Working Capital             | 2,726,675        | 2,726,675 | 2,726,675 |                              |                              |
|                   |                   | 1,500,000         | Repayment of Loan               | 25,000           | 25,000    | 25,000    | 116,425                      | 116,425                      |
|                   | 14,708            | 34,975            | Investment Income               | 28,700           | 28,700    | 28,700    | 20,200                       | 15,750                       |
|                   | 2,200,175         | 1,168,850         | Transfers In                    | 2,184,650        | 2,184,650 | 2,184,650 | 2,055,575                    | 426,225                      |
|                   | 2,214,883         | 3,798,275         | <b>Total Resources</b>          | 4,965,025        | 4,965,025 | 4,965,025 | 2,192,200                    | 558,400                      |
|                   |                   |                   | <b>REQUIREMENTS</b>             |                  |           |           |                              |                              |
|                   |                   |                   | Materials & Services            | 226,000          | 226,000   | 226,000   |                              |                              |
|                   |                   |                   | Capital Outlay                  | 4,569,025        | 4,569,025 | 4,569,025 | 2,192,200                    | 558,400                      |
|                   |                   |                   | Interfund Capital Loan - Police | 170,000          | 170,000   | 170,000   |                              |                              |
|                   | 733,117           | 2,298,825         | Transfers Out                   |                  |           |           |                              |                              |
|                   |                   | 1,499,450         | Contingency                     |                  |           |           |                              |                              |
|                   | 733,117           | 3,798,275         | <b>Total Requirements</b>       | 4,965,025        | 4,965,025 | 4,965,025 | 2,192,200                    | 558,400                      |

**COMMENTS:** The Transfer In is our estimate of the amount in excess of the minimum threshold in the 3<sup>rd</sup> Party Claims Escrow account available to the City on January 10, 2012. The City receives annual distributions only after compliance with the terms of the contract. Materials & Services represents the amount of legal costs expected to be incurred by the Airport Runway litigation. The Interfund Capital Loan of \$170,000 is for the rehabilitation of 10 police vehicles with the repayment of \$91,425 coming in FY 2013 and 2014. The capital outlay is to help pay for any contingent liabilities from the airport runway while litigation is in progress.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**DEBT SERVICE FUND #301**

|                   |                   |                   | Fiscal Year 2012                    |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|-------------------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                            | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   | 447,000           | Net Working Capital                 | 25,800   | 25,800   | 25,800  | 26,325                       | 26,875                       |
|                   | 3,823             |                   | Taxes Previously Levied             |          |          |         |                              |                              |
| 5,615             | 7,501             |                   | Special Assessments                 |          |          |         |                              |                              |
| 16,190            | 9,513             | 625               | Investment Income                   | 525      | 525      | 525     | 550                          | 575                          |
|                   | 295,925           | 296,200           | Transfer In                         | 296,300  | 296,300  | 296,300 | 291,225                      | 291,150                      |
| 21,805            | 316,762           | 743,825           | Total Resources Except Taxes Levied | 322,625  | 322,625  | 322,625 | 318,100                      | 318,600                      |
|                   |                   | 205,525           | Taxes Necessary to Balance          | 205,525  | 205,525  | 205,525 | 205,525                      | 205,525                      |
|                   | 199,901           |                   | Taxes Collected in Year Levied      |          |          |         |                              |                              |
| 21,805            | 516,663           | 949,350           | <b>Total Resources</b>              | 528,150  | 528,150  | 528,150 | 523,625                      | 524,125                      |
|                   |                   |                   | <b>REQUIREMENTS</b>                 |          |          |         |                              |                              |
| 76,534            | 575,220           | 577,775           | Debt Service                        | 501,825  | 501,825  | 501,825 | 496,750                      | 496,675                      |
|                   |                   | 350,000           | Transfer Out                        |          |          |         |                              |                              |
|                   |                   | 21,575            | Contingency                         | 26,325   | 26,325   | 26,325  | 26,875                       | 27,450                       |
| 76,534            | 575,220           | 949,350           | <b>Total Requirements</b>           | 528,150  | 528,150  | 528,150 | 523,625                      | 524,125                      |

**COMMENTS:** The debt service fund collects the property taxes levied for the general obligation bond on the Police Station and records the transfer in from the general fund for the full faith and credit bond payments.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**COGENERATION FUND #590**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |           |           | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|-----------|-----------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved  | Adopted   |                              |                              |
|                   |                   | 5,591,150         | Net Working Capital       | 5,045,675        | 5,045,675 | 5,045,675 | 3,086,000                    | 1,151,100                    |
| 622,990           | 256,427           | 260,700           | Investment Income         | 224,975          | 224,975   | 224,975   | 120,675                      | 44,050                       |
| 622,990           | 256,427           | 5,851,850         | <b>Total Resources</b>    | 5,270,650        | 5,270,650 | 5,270,650 | 3,206,675                    | 1,195,150                    |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |           |           |                              |                              |
| 2,799,312         | 2,200,175         | 1,168,850         | Transfer Out              | 2,184,650        | 2,184,650 | 2,184,650 | 2,055,575                    | 334,800                      |
|                   |                   | 83,000            | Contingency               |                  |           |           |                              |                              |
|                   |                   | 4,600,000         | Unappropriated            | 3,086,000        | 3,086,000 | 3,086,000 | 1,151,100                    | 860,350                      |
| 2,799,312         | 2,200,175         | 5,851,850         | <b>Total Requirements</b> | 5,270,650        | 5,270,650 | 5,270,650 | 3,206,675                    | 1,195,150                    |

**COMMENTS:** The Net Working Capital represents the amount held by the trustee in the 3<sup>rd</sup> Party Claims account. The City receives annual distributions from the account only after compliance with the terms of the contract which is reviewed annually. The Transfer Out is our estimate of funds that will be available to transfer to the Escrow Reserve Fund for projects identified by the City Council. The Unappropriated amount is the required minimum threshold of the 3<sup>rd</sup> Party Claims Escrow at the end of the fiscal year. The 3<sup>rd</sup> Party Claims Escrow is only available for city use if no claims are made against it.

**OTHER FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**VETERAN'S MEMORIAL AGENCY FUND #702**

| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Fiscal Year 2012 |          |         | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|-------------------|-------------------|-------------------|---------------------------|------------------|----------|---------|------------------------------|------------------------------|
|                   |                   |                   |                           | Proposed         | Approved | Adopted |                              |                              |
|                   |                   |                   | <b>RESOURCES</b>          |                  |          |         |                              |                              |
|                   |                   | 137,850           | Net Working Capital       | 136,175          | 136,175  | 136,175 | 119,525                      | 70,275                       |
| 3,188             | 973               | 2,000             | Investment Income         | 700              | 700      | 700     | 600                          | 375                          |
| 20,937            | 9,339             | 13,000            | Miscellaneous Revenues    | 4,000            | 4,000    | 4,000   | 3,500                        | 3,000                        |
| 171,020           |                   |                   | Transfers In              |                  |          |         |                              |                              |
| 195,145           | 10,312            | 152,850           | <b>Total Resources</b>    | 140,875          | 140,875  | 140,875 | 123,625                      | 73,650                       |
|                   |                   |                   | <b>REQUIREMENTS</b>       |                  |          |         |                              |                              |
| 1,650             | 2,787             | 10,950            | Materials & Services      | 11,350           | 11,350   | 11,350  | 13,350                       | 14,850                       |
| 51,060            | 6,682             | 47,600            | Capital Outlay            | 10,000           | 10,000   | 10,000  | 40,000                       | 55,000                       |
|                   |                   | 94,300            | Contingency               | 119,525          | 119,525  | 119,525 | 70,275                       | 3,800                        |
| 52,710            | 9,469             | 152,850           | <b>Total Requirements</b> | 140,875          | 140,875  | 140,875 | 123,625                      | 73,650                       |

**COMMENTS:** The Veterans Memorial Committee plans an expansion of the memorial in 2012/2013. Capital outlay in fiscal year 2012 will complete the first phase.

***CITY OF KLAMATH FALLS***

**INACTIVE FUNDS**

**INACTIVE FUNDS  
ADOPTED BUDGET  
Fiscal Year 2011-2012**

**PERPETUAL CARE FUND #701**

|                   |                   |                   | Fiscal Year 2012          |          |          |         |                              |                              |
|-------------------|-------------------|-------------------|---------------------------|----------|----------|---------|------------------------------|------------------------------|
| FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Budget | Category                  | Proposed | Approved | Adopted | Financial<br>Plan<br>FY 2013 | Financial<br>Plan<br>FY 2014 |
|                   |                   |                   | Net Working Capital       |          |          |         |                              |                              |
| 3,044             | 1,044             |                   | Charges for Services      |          |          |         |                              |                              |
| 22,920            | 16,333            |                   | Investment Income         |          |          |         |                              |                              |
| 25,964            | 17,377            | 0                 | <b>Total Resources</b>    | 0        | 0        | 0       | 0                            | 0                            |
|                   |                   |                   | <b>REQUIREMENTS</b>       |          |          |         |                              |                              |
| 4,257             | 455,459           |                   | Materials & Services      |          |          |         |                              |                              |
| 14,039            |                   |                   | Transfer Out              |          |          |         |                              |                              |
| 18,296            | 455,459           | 0                 | <b>Total Requirements</b> | 0        | 0        | 0       | 0                            | 0                            |

**COMMENTS:** The perpetual Care Trust Fund was transferred to the new owner of the Klamath Memorial Cemetery.