

CITY OF HERMISTON

Fiscal Year 2011-12

ANNUAL BUDGET

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Harmon Springer, Councilor
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Pat Wheelhouse, Citizen Member
DuWayne White, Citizen Member
Vacancy, Citizen Member
Vacancy, Citizen Member

Edward Brookshier, Budget Officer
Robert D. Irby, Finance Director



WE, THE EMPLOYEES AND OFFICIALS OF THE CITY OF HERMISTON, VALUING THE TRUST OF THE CITIZENS WE SERVE, TAKE RESPONSIBILITY FOR BUILDING A HIGH PERFORMING ORGANIZATION RECOGNIZED FOR THE FOLLOWING:

- ◆ Clean, well-maintained streets and properties, with vibrant, inviting public spaces that stimulate the intellectual and emotional needs of the entire community.
- ◆ A city organization and community offering physical safety and well being. We are respectful and supportive of our diverse societal and cultural needs, creating an environment where all individuals feel empowered to pursue their life's ambitions.
- ◆ A city organization that values mutual respect, cooperation and support, open and honest communications, a desire to continuously improve, and optimism for the future of our community.
- ◆ Building a work environment which considers exciting and innovative solutions where all employees feel a sense of pride in delivering a high quality product to our community.
- ◆ Providing effective communications between customers, employees and officials, focusing on superior customer service.
- ◆ Providing high value services through strong financial performance.

CITY OF HERMISTON
ANNUAL BUDGET
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CITY PROFILE

Location:

Hermiston the "Future of Eastern Oregon". Hermiston is a progressive, growth-oriented urban/retail center for an area based economically on agriculture, food processing, transportation, utilities and other light industry. We are located in the northwest corner of Umatilla county in northeast Oregon and are centrally located between the major cities of the Pacific Northwest. Located just 185 miles east of Portland; 183 miles southwest of Spokane, Washington; 260 miles southeast of Seattle, Washington and 257 miles northwest of Boise, Idaho, Hermiston is a transportation hub accessed by Interstate Highways I-84, east to west, and I-82, north and south, and numerous feeder highways. Hermiston lies one truck day from 7 western states and two Canadian provinces. In addition we are in close proximity to the Union Pacific-Hinkle Rail yard and the Columbia River and its container cargo shipping facilities. The City operates a local municipal airport for light commercial and private use and there are Regional Airports offering full commercial services 30 minutes away at Pendleton, Oregon and Pasco, Washington.

Business:

Hermiston is the commercial center for a highly varied and productive agriculture industry. Irrigated farm and ranch lands produce potatoes, alfalfa, corn, wheat, onions, carrots, asparagus, mint, peppers, fruit, beef and dairy cattle, plus many other specialty crops. Ongoing efforts to diversify the area's agriculture are supported by the Oregon State University Columbia Basin Agricultural Research Center located just south of Hermiston. The Hermiston area is home to a variety of light industries whose products include frozen foods, manufactured housing, plastic pipe, wood chips for paper production, motor control panels, horse trailers and metal specialties. In addition, the northwest distribution center for Wal-Mart is located in Hermiston. Economic development efforts are centered on warehousing, distribution and manufacturing to further diversify our economy.

Municipal Facilities:

The City of Hermiston offers a public safety center which houses the police department and the municipal court. The Hermiston Fire & Emergency Services District facilities are also located in the safety center. Hermiston provides a convention center, public works building, wastewater treatment plant, water treatment plant, public library, city parks, a combined lap and leisure outdoor community swimming pool complex and water/sewer utilities. In addition, beginning in October 2001, Hermiston Energy Services, the city's municipal electric utility, began providing power to its nearly 5,000 residential and commercial customers. HES was the first municipal electric utility created in Oregon in over 50 years.

Education:

Hermiston's School District is made up of one senior high school, two middle schools, five elementary schools, one alternative school and one ESD office. The school district serves students in kindergarten through grade 12 and offers a broad range from basic skills to vocational and advanced placement classes. A wide variety of classes and workforce training programs are also offered on the Hermiston campus of Blue Mountain Community College. A higher learning center will open in 2011 offering higher level courses through Eastern Oregon University and Blue Mountain Community College.

Health Care:

Good Shepherd Community Hospital is a modern facility with the latest diagnostic and surgical facilities with a trauma emergency center. The hospital has expanded their physician offices to enable more physicians in specific fields to locate in Hermiston. Hermiston continues to attract medical professionals, general practitioners and specialist as well as a full range of dental practices, chiropractic services and physical therapy facilities. An additional seven hospitals are located within a sixty mile radius of the city. Ambulance service is provided by the Hermiston Fire & Emergency Services District. The city offers a skilled nursing facility for the elderly and handicapped. There are also multiple assisted living complexes for the elderly.

Recreation:

The area offers a broad spectrum of outdoor pastimes. With the relatively dry climate and long growing season outdoor activities are abundant. Water sports are very popular and include; skiing, boating, swimming and fishing. Hermiston is within a day's drive to mountain regions which offer snow skiing, camping, hiking and hunting. Hermiston offers multiple City parks, an athletic club, jogging trails, tennis courts, soccer fields, horseshoe pits and several ball parks. There are eleven golf courses within 45 minutes of Hermiston.

CITY OF HERMISTON

VOTERS ELECT



MUNICIPAL JUDGE

MAYOR &
CITY COUNCILORS
WHO APPOINT



AIRPORT ADVISORY COMMITTEE
BUDGET COMMITTEE
LIBRARY BOARD
PARKS & RECREATION COMMITTEE
PLANNING COMMISSION

CITY MANAGER
WHO DIRECTS



BUILDING INSPECTIONS	PLANNING
CITY ATTORNEY	POLICE
ENERGY SERVICES	REGIONAL WATER SYSTEM
FINANCE	STREETS & MAINTENANCE
LIBRARY	WASTE WATER SYSTEM
PARKS & RECREATION	WATER SYSTEM



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April 19, 2011

Revised: May 19, 2011

Dear Citizens and Members of the Budget Committee:

The proposed Combined Funds Budget for the 2011-12 Fiscal Year is **\$54,448,795—up one-tenth** of one percent from the current year's budget of \$54,383,645.

As with the current budget, the proposed 11-12 budget includes the \$27 million capital allocation for the new Recycled Water Plant project.

Excluding the RWP allocation, both the current year's Combined Funds budget and the proposed 2011-12 Combined budget are the lowest levels of appropriation since the FY 2006-07 total of \$25,501,975.

The General Fund, which funds most of our non-utility services, is proposed at **\$7,317,960—a decrease of about \$20,000** from the current budget year and also below budgeted levels for the prior two fiscal years.

We are proposing a slightly higher level of Cash Forward to balance the General Fund than was required for the current year (**\$344,110** versus \$222,125), but I don't expect this to result in a significant change to our year to year ending cash balance position (09-10 to 10-11).

I am pleased that we are in a position to fund a small number of public improvement projects in the proposed GF budget. Most of these projects were introduced in the 2010-11 Supplemental Budget in February, but are being carried forward or completed in the new fiscal year. These include:

- * \$50,000 to widen and delineate E. Main from east of 7th to 10th for safer pedestrian access (2010-11 Supplemental transfer from GF Cash Forward to Reserve Fund "Bicycle Trails" account—carried forward to the 11-12 budget);
- * a cooperative project with ODOT for a mid-block pedestrian crossing on Hwy. 207/W. Elm in the vicinity of the hospital (\$30,000 in the GF 10-11 Supplemental budget, "Audit & Others"/"Other Improvements"—carried forward to the 11-12 budget in the amount of \$28,000);
- * \$30,000 for handicapped accessibility and landscaping improvements at City Hall (funded in the GF supplemental and partially carried forward in the 11-12 budget ["Municipal Buildings"/"Miscellaneous Contractual"]); and,

- * \$75,000 to Agape House toward the cost of building a shelter in Hermiston for homeless families (10-11 Supplement carried forward to 11-12 in "Audit & Others"/"Miscellaneous Contractual"; *note--an additional \$75,000 was supplemented and is now carried forward in the Hermiston Energy Services Fund budget*).

I would also like to highlight two other significant General Fund allocations/transfers proposed for the 2011-12 year. The first is a \$56,000+ transfer to the Street Fund. This transfer will then become part of a total \$110,000 transfer from the Street Fund to the Reserve Fund "Street Equipment" account where it will be used in combination with existing funds in that account to purchase a new street sweeper. The new sweeper will cost approximately \$165,000. It will become our primary sweeping unit. Our current primary unit, a 2005 sweeper, will then become our back-up and "second-out unit" and our 1991 unit will be retired.

The other GF transfer of note is a \$100,000 allocation to the Revolving Loan Fund. This money will be proposed as a local match to obtain a second Economic Development Revolving Loan grant from the Oregon Department of Business Development. The amount of the grant we will be requesting is \$750,000. As of this summer we will have fully expended our first Revolving Loan grant and will therefore be eligible to compete for a second such grant. Unlike most economic development incentive programs which are directed exclusively at industrial businesses, this program is targeted for low-interest loans to small to medium-sized businesses, including retail and services enterprises, locating or expanding in Hermiston. The maximum loan to any business is \$20,000 per full-time job created. Loan repayment money returns to the Revolving Loan Fund to be used for new business development loans.

Certain aspects and activities of some of the other operating funds should also be highlighted here.

Were it not for the cost of the new street sweeper, the Street Fund would have again balanced without the necessity of subsidization from the General Fund. This is a direct result of the State Legislature recognizing the need for more road and bridge funding around the state and thence passing a phased increase in the State gasoline tax. This has in turn enabled us to maintain full Street Department services with no subsidy from the General Fund at a time when such a subsidy wouldn't have been financially feasible anyway.

We are also recognizing Surface Transportation Program ("STP") funding as a Street Department revenue and then transferring that money to the Reserve Fund "Street Maintenance" account, from which it is normatively expended. This program is administered by ODOT, but the funds are federal "pass through" dollars from the federal gasoline tax.

In the Utility Fund we are proposing significant improvements to the City's shallow aquifer well ("Well 5"). This well has long been the City's highest single producer. However, by increasing the well's pumping capabilities we anticipate being able to increase production to close to 3,500 gallons per minute (current production capability is around 2,500 gpm; our water right for this well allows for 5,000 gpm). This increase in production capacity at Well 5 in combination with some reconfiguration of distribution service areas will allow us to keep more water from Well 6 (our "high service" area to the south) available for continuing industrial growth in that area along with the possible need to serve the proposed Eastern Oregon Trade and Event Center project.

The Regional Water Fund requires the allocation of \$86,900 in Fund cash forward to balance. This is partially due to an allocation of \$50,000 to the Reserve Fund "Regional Repair/Replacement" account to replace the Regional system's telemetry operations system (estimated to cost approximately \$200,000).

As previously noted, the Energy Services department budget includes \$75,000 toward the cost of developing the Agape House shelter for homeless families.

Also pertinent to the Energy Services Fund, our cash and "HES Improvements" reserves are such that we expect to be able to absorb the anticipated 8+% wholesale power cost increase we will be getting from BPA later this year without having to pass any of the increase through to our retail customers.

The budget includes a proposed 1.5% pay increase for eligible employees. In January of this year our non-union employees moved to a lower cost, higher co-pay health insurance plan with a high deductible. Police union employees remain on a 90-10 coverage plan with a low deductible. The Police contract expires June 30. Therefore, the budgetary implications of a prospective new contract simply can't be predicted at present.

This will be the second year in a row where we have produced a proposed budget which I consider generally sustainable over the near-term. And, again, I am particularly pleased that we have for the moment attained a point where we may again invest in a few community infrastructure projects. Still, I suspect every budget cycle for the foreseeable future will be uniquely challenging.

Sincerely,



Edward Brookshier
City Manager

BUDGET PROCESS

Most local governments in Oregon must prepare and adopt an annual budget. Budget provisions are determined by Oregon's Local Budget Law. The law requires citizen involvement in the preparation of the budget, and public disclosure of the budget before its final adoption and it establishes standard procedures for preparing, presenting, and administering the budget.

The budget committee in Oregon is made up of the mayor and city councilors of the local government and an equal number of appointed citizens. The Hermiston Budget Committee consists of eighteen individuals, each uniquely suited to provide guidance and analysis for the city budget.

The law sets out the following specific procedures: 1) Appoint budget officer; 2) Prepare a proposed budget; 3) Publish notices of budget committee meeting; 4) Hold budget committee meetings; 5) Committee approves proposed budget and specifies the amount or rate of ad valorem taxes for each fund receiving tax revenues; 6) Publish budget summary and notice of budget hearing; 7) Hold a budget hearing; 8) Enact resolutions or ordinances to adopt budget, make appropriations, levy taxes by fund and categorize taxes; and 9) File budget and certify tax levy to county assessor and county clerk.

Following is the City of Hermiston's budget calendar for fiscal year 2011-12:

01/01/2011	Prepare proposed budget
05/16/2011	Hold first budget committee meeting
06/13/2011	Hold budget hearing
06/13/2011	Council action of resolutions or ordinances to adopt budget, make appropriations, levy taxes and categorize taxes
07/15/2011	File budget with county assessor and county clerk

During the fiscal year, circumstances may require expenses to be paid that were not budgeted or the city may receive revenue it did not plan for in its budget. A supplemental budget is required to pay additional expenses and spend the extra revenue. The supplemental budget must be adopted and appropriated before any additional money can be spent.

Adopting a budget will not involve the budget committee. After publishing a notice of the regular meeting at which the supplemental budget will be adopted, the governing body may adopt the supplemental budget by resolution if the expenditures are less than 10 percent of the annual budget fund being adjusted. If the expenditures are more, the governing body must publish the supplemental budget notice and hold a special hearing.

THE BUDGET FRAMEWORK

The Hermiston budget is divided into separate funds, each with independent revenue sources and appropriations. The fund structure is determined by the specific reporting needs of our governing body, and the need to report accurate and timely information to the community. The fund structure presented in this budget is:

1. Bonded Debt Fund: This fund provides for the levying of necessary property taxes to pay the outstanding general obligation bonds of the city. This fund was also required by Oregon financial policy to account for the proceeds of the general obligation bonds issued for street and water and sewer improvements.
2. General Fund: As the name implies, the general fund provides for the accounting of all revenues and expenditures not specifically categorized into a separate fund structure. The general fund is the most diverse and the largest of the city's funds. In accord with the continuing policies of the community, the general fund is the source for the inter-fund transfers necessary to augment the operations of our other functions. The general fund is the source for inter-fund transfers to the reserve fund system, the street fund, 911 communications fund, and is the direct source for our smaller capital outlay projects related to the departments and functions accounted in the fund. The general fund departments are categorized as:

City Council	Building Inspections	Public Safety
City Manager/Planning	Parks	Police
Finance	Municipal Pool	Audit & Others
Legal Counsel	Municipal Buildings	Unappropriated Balance
Court	Library	
Transportation	Recreation	
Airport	Conference Center	

3. State Street Tax Fund: This is the location where all gasoline tax revenues are required by Oregon Statute to be placed to provide a guarantee that all such revenues will be utilized for street and roadway repair, maintenance and improvement. This fund is exclusively supported from the gasoline tax and a general fund subsidy if necessary. The expenditures accounted in the fund are the manpower, equipment, materials and contracted services necessary to maintain and improve the roadway surfaces and storm drainage system of the city.
4. Transient Room Tax Fund: This fund is used to receipt revenues collected from the city's transient room tax for appropriations to be made for economic, community and other development activities. The balance of the transient room tax revenues are appropriated directly to conference center management and operational costs, pool operation, TRT/Recreation programs reserve and Parks & Recreation Development reserve.
5. Utility Fund: This is an enterprise fund financed from user fees for water and wastewater use and connection charges to the system. Expenditure responsibilities of this fund include all necessary personnel, equipment, materials, and contracted services necessary to maintain and improve the water and wastewater systems of the city. The enterprise funds are also responsible for the necessary transfers to the debt fund to carry the bonded debt and notes of the systems.
6. 911 Communications: This fund is the accounting entity to provide a means to guarantee that all 911 communications taxes and will be utilized for 911 dispatch services. This fund is exclusively funded from 911 communication taxes and a general fund subsidy. The expenditures accounted in the fund are the manpower, equipment, materials and contracted services necessary for the operation of this activity.
7. Regional Water Fund: On November 1993, voters in the City of Hermiston approved a ballot measure to issue general obligation bonded indebtedness in an amount not to exceed 5,000,000 to finance the city's portion of a regional water system. The balance of the construction costs were funded through revenue bonds issued by the Port of Umatilla and retired by revenues from non-city users of the system. Construction was completed in 1996 and this has become an operating enterprise fund with expenditures including all necessary personnel, equipment, materials and contracted services necessary to operate the system.

8. Revolving Loan Fund: This loan fund is used to account for various grants and other funding to assist small and medium size commercial and retail businesses, low income to moderate income individuals for housing rehabilitation projects. As these loans are repaid the funds will become available to re-loan.

9. Hermiston Energy Services Fund: On October 1, 2001, the City of Hermiston acquired and became responsible for the municipally owned electric utility. This enterprise fund is financed from user fees for electrical use and other charges to the system. Expenditures in this fund include all necessary personnel, equipment, materials, and contracted services necessary to maintain and improve the electrical system of the city. This enterprise fund is also responsible for the necessary transfers to the debt fund to carry the bonded debt and notes of the system.

10. Reserve Fund: This fund is the accounting entity which accounts for the long-term appropriations necessary to finance this local government. Financed directly by appropriations from our operating funds and with limited revenues directly from small reimbursement projects, the reserve fund has been the major single fiscal tool which has provided the City of Hermiston with the stability and multiple year project vision necessary to manage a small community in difficult financial times. The reserve fund allows the accumulation of resources to accomplish specifically authorized goals contained in the resolution which must be adopted to establish each account. The reserve fund and the specific accumulations and purposes are enumerated in the "schedule of reserve fund appropriations" contained in this budget.

11. WWTP Construction Fund: In accord with the city policy of isolating and independently accounting for major capital projects, the City's Recycled Water Plant project fund was created in fiscal year 2008-09.

12. Special Revenue Funds: Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes.

FUND ACCOUNTING

The accounts of the city are organized on the basis of funds and account groups. Each is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the propose for which they are to be spent and the means by which spending activities are controlled.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

INTER-FUND APPROPRIATIONS AND THE FUND SYSTEM

The governmental accounting system gives rise to a great deal of confusion for the individual not directly associated with the required accounting systems. A multiple fund structure provides an accuracy of reporting and control of expenditures unsurpassed for the type of activities which this government must undertake. This positive side more than compensates for the overstatement of total outlays and the multiple accounting in cumulative recaps of total budget which the system forces.

The best example of the overstatement of the budget is in the interaction between funds included in the relationship between the general fund, the street fund and the reserve fund in the expenditure of roadway construction or overlay funds. Since state reporting requirements demand we include all street related costs in the street fund, it is necessary for us to include the appropriations we make each year to the reserve for roadway construction to be included in the street fund. The gasoline tax is not sufficient to cover the costs of our total efforts in street maintenance and improvement, so we must appropriate a transfer from the general fund to balance the street fund. The actual expenditure of roadway improvements occurs in the reserve fund.

This complicated interaction requires the city to anticipate revenues in the general fund, appropriate the necessary funds to the street fund, anticipate the revenue in the street fund and appropriate the transfer to the reserve fund, anticipate the revenue and appropriate for the expenditures in the reserve fund. Because the expenses for roadway improvements are beyond the ability of our local government to complete in any one year, the reserve appropriation will reflect the current transfer and the accumulated balances designed to accomplish the projects identified in the roadway capital improvement plan.

Due to this interaction of funds, the same funds are identified as an expense three times and a revenue three times. This inflation of the total budget is an unfortunate side impact which occurs in this system.

CASH BALANCES BY FUND

The cash balances as of June 30 for each non-capital outlay fund are as follows:

	2004-05 (Audited)	2005-06 (Audited)	2006-07 (Audited)	2007-08 (Audited)	2008-09 (Audited)	2009-10 (Audited)
<u>GENERAL FUND</u>						
Revenues	5,665,655	6,015,856	7,025,735	7,048,825	7,355,454	7,822,982
Expenditures & Trans.	6,454,073	6,453,992	6,505,986	6,914,592	8,077,634	6,615,189
Balance	3,147,382	2,709,246	3,228,995	3,363,228	2,641,048	3,848,871
<u>UTILITY FUND</u>						
Revenues	3,345,337	3,351,778	3,492,295	3,544,535	3,614,773	3,990,761
Expenditures & Trans.	3,159,765	2,990,275	3,584,480	4,725,264	3,265,993	3,019,943
Balance	1,374,189	1,735,692	1,643,507	462,778	811,558	1,782,376
<u>REGIONAL WATER</u>						
Revenues	585,831	470,722	473,011	505,378	624,670	611,732
Expenditures	415,230	426,631	539,480	522,465	445,326	449,058
Balance	425,906	469,997	403,528	386,441	565,785	728,459
<u>ENERGY SERVICES</u>						
Revenues	6,965,947	7,113,950	7,279,993	7,793,720	7,474,956	7,637,194
Expenditures & Trans.	6,563,312	7,319,084	6,874,787	6,682,529	6,795,748	6,949,737
Balance	1,063,314	858,180	1,263,386	2,374,577	3,053,785	3,741,242
<u>DEBT SERVICE FUND</u>						
Revenues:						
Non-Tax	1,464,404	1,502,770	1,706,586	1,505,383	1,293,760	1,295,448
Tax	364,805	375,592	119,414	322,450	323,305	378,310
Expenditures	1,703,452	1,824,597	2,030,485	1,826,641	1,624,108	1,625,876
Balance	258,544	312,309	107,824	109,016	101,973	149,855

CONSOLIDATED REVENUES AND EXPENDITURES

COMPARISON OF REVENUES (by fund)

SCHEDULE I

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Bonded Debt	1,726,079	1,637,507	1,622,795	1,648,480	1,648,480	1,648,480
General	9,286,687	8,689,516	7,337,615	7,389,960	7,317,960	7,317,960
State Tax Street	1,024,987	667,479	650,000	901,070	901,070	901,070
Transient Room	101,978	123,811	107,500	77,500	77,500	77,500
Utility	3,635,709	3,943,752	3,464,000	3,659,000	3,659,000	3,659,000
911 Communication	691,538	645,708	690,825	706,865	706,865	706,865
Regional Water	767,590	1,202,547	515,000	581,900	581,900	581,900
Revolving Loan	420,124	1,048,813	837,500	100,000	100,000	100,000
Energy Services	7,565,627	7,646,522	7,469,100	7,326,195	7,326,195	7,326,195
Reserve	5,568,335	4,623,318	3,970,220	4,413,400	4,413,400	4,413,400
WWTP Construction	250,000	1,402,167	27,000,000	27,000,000	27,000,000	27,000,000
Special Revenue	1,362,411	923,776	719,090	716,425	716,425	716,425
Total	32,401,065	32,554,916	54,383,645	54,520,795	54,448,795	54,448,795

COMPARISON OF EXPENDITURES (by fund)

	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Bonded Debt	1,624,107	1,625,888	1,622,795	1,648,480	1,648,480	1,648,480
General	8,046,305	6,558,443	7,337,615	7,389,960	7,317,960	7,317,960
State Tax Street	1,024,987	646,113	650,000	901,070	901,070	901,070
Transient Room	54,902	30,615	107,500	77,500	77,500	77,500
Utility	3,235,080	3,019,944	3,464,000	3,659,000	3,659,000	3,659,000
911 Communication	691,538	645,708	690,825	706,865	706,865	706,865
Regional Water	445,327	449,058	515,000	581,900	581,900	581,900
Revolving Loan	309,071	1,000,386	837,500	100,000	100,000	100,000
Energy Services	6,816,475	6,896,056	7,469,100	7,326,195	7,326,195	7,326,195
Reserve	1,824,196	514,756	3,970,220	4,413,400	4,413,400	4,413,400
WWTP Construction	369,480	1,640,337	27,000,000	27,000,000	27,000,000	27,000,000
Special Revenue	777,908	857,626	719,090	716,425	716,425	716,425
Total	25,219,376	23,884,930	54,383,645	54,520,795	54,448,795	54,448,795

CONSOLIDATED REVENUES AND EXPENDITURES

COMPARISON OF REVENUES (by character)

SCHEDULE II

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Property Taxes	4,323,795	4,745,706	4,528,555	4,550,025	4,550,025	4,550,025
Local Assessments	26,508	23,964	13,500	20,000	20,000	20,000
License & Franchise	884,911	780,886	747,400	724,400	724,400	724,400
Fines & Penalties	434,025	569,589	375,000	385,000	385,000	385,000
Use of City Money	174,075	87,049	89,500	90,000	90,000	90,000
Fm Other Agencies	2,312,764	2,230,538	5,283,500	5,304,500	5,304,500	5,304,500
Service Charges	1,198,547	1,445,677	1,087,590	1,017,700	1,017,700	1,017,700
Non-Revenue Receipt	372,129	1,352,717	23,023,000	23,030,000	23,030,000	23,030,000
Misc Revenues	1,268,211	1,580,922	317,600	380,000	380,000	380,000
Sewer Service	1,564,300	1,702,148	1,486,000	1,631,000	1,631,000	1,631,000
Water Service	2,619,221	2,836,421	2,439,000	2,491,000	2,491,000	2,491,000
Energy Service	7,348,534	7,533,192	7,350,000	7,227,500	7,227,500	7,227,500
Trans Fm Other Fund	3,021,172	1,895,872	2,302,135	2,642,340	2,642,340	2,642,340
Cash Forward	6,852,873	5,770,235	5,340,865	5,027,330	4,955,330	4,955,330
Total	32,401,065	32,554,916	54,383,645	54,520,795	54,448,795	54,448,795

COMPARISON OF EXPENDITURES (by character)

	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	8,057,378	7,649,878	7,735,485	8,142,615	7,965,830	7,965,830
Materials & Services	9,739,513	11,899,434	13,689,780	13,064,955	13,169,740	13,169,740
Capital Outlay	2,911,283	806,863	29,058,445	28,859,255	28,859,255	28,859,255
Transfers:						
Reserve	668,000	119,711	412,070	743,995	743,995	743,995
Street	409,960			56,070	56,070	56,070
Revolving Loan				100,000	100,000	100,000
911 Communication	552,543	523,164	580,825	596,865	596,865	596,865
Bonded Debt	1,256,592	1,259,992	1,259,245	1,283,560	1,283,560	1,283,560
Unappropriated Bal			27,000	27,000	27,000	27,000
Debt Service	1,624,107	1,625,888	1,620,795	1,646,480	1,646,480	1,646,480
Total	25,219,376	23,884,930	54,383,645	54,520,795	54,448,795	54,448,795

CITY OF HERMISTON

TAX HISTORY

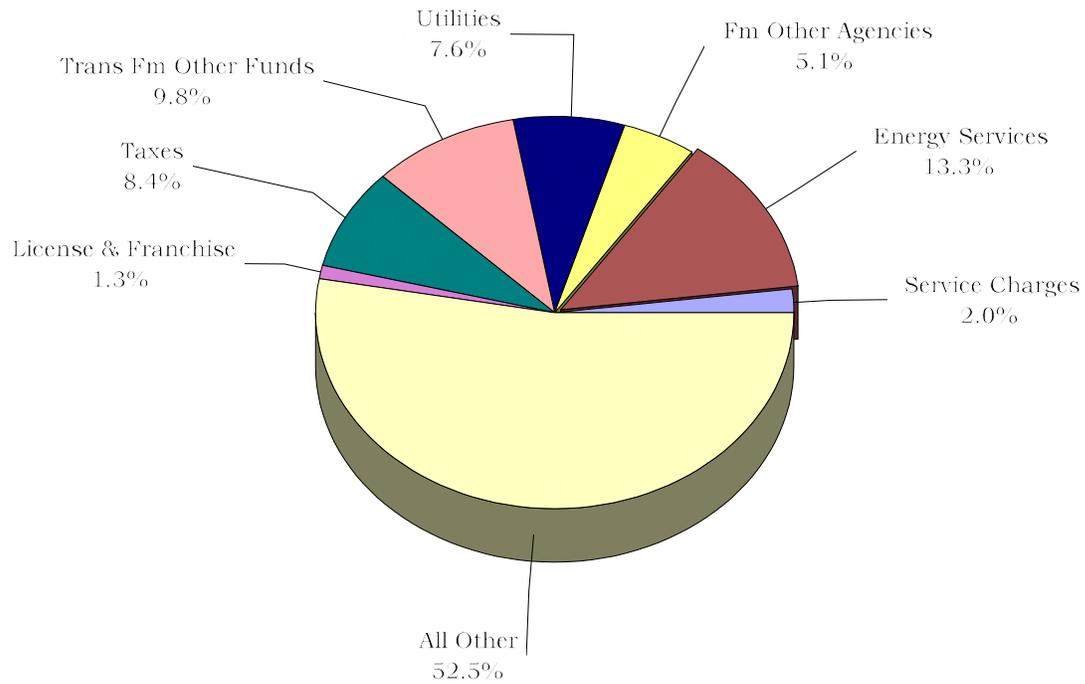
Fiscal Year	Tax Levy Submitted	Inside 6%	Outside 6%	G.O. Bond Issues	Bancroft Bond Issues	Population
1920-21	6,250.00	6,250.00				655
1930-31	6,250.00	6,250.00				608
1940-41	6,385.00	6,385.00				803
1950-51	15,878.00	15,878.00				3,804
1960-61	76,225.00	19,300.00	56,924.41			4,402
1970-71	148,877.00	148,877.00				4,893
1980-81	954,165.00	290,279.64	632,836.36	31,049.00		9,408
1981-82	1,108,206.15	308,456.12	765,272.03	34,478.00		9,700
1982-83	1,099,425.00	327,333.00	738,423.00	33,669.00		9,630
1983-84	1,099,379.00	347,133.00	719,760.00	32,486.00		9,835
1984-85	1,113,565.00	1,200,000.00		31,304.00		9,890
1985-86	1,230,121.00	1,200,000.00		30,121.00		9,914
1986-87	1,302,872.00	1,272,000.00		30,872.00		9,890
1987-88	1,379,397.00	1,113,845.00		30,517.00	235,035.00	9,870
1988-89	1,434,572.00	1,232,192.00		32,220.00	170,160.00	9,860
1989-90	1,518,092.00	1,349,416.00		26,055.00	142,599.00	9,860
1990-91	1,552,821.00	1,430,380.00		16,192.00	106,249.00	10,075
1991-92	1,615,733.00	1,517,691.00		9,497.00	88,545.00	10,075
1992-93	1,621,089.00	1,609,186.00		11,903.00		10,045
1993-94	1,717,630.00	1,706,249.00		11,381.00		10,215
1994-95	2,258,724.00	1,809,960.00		448,764.00		10,332
1995-96	1,991,044.00	1,929,161.00		61,883.00		10,605
1996-97	2,417,024.00	2,045,797.00		371,227.00		11,061
1997-98	2,574,503.00	2,169,858.00		404,645.00		11,340

TAX HISTORY

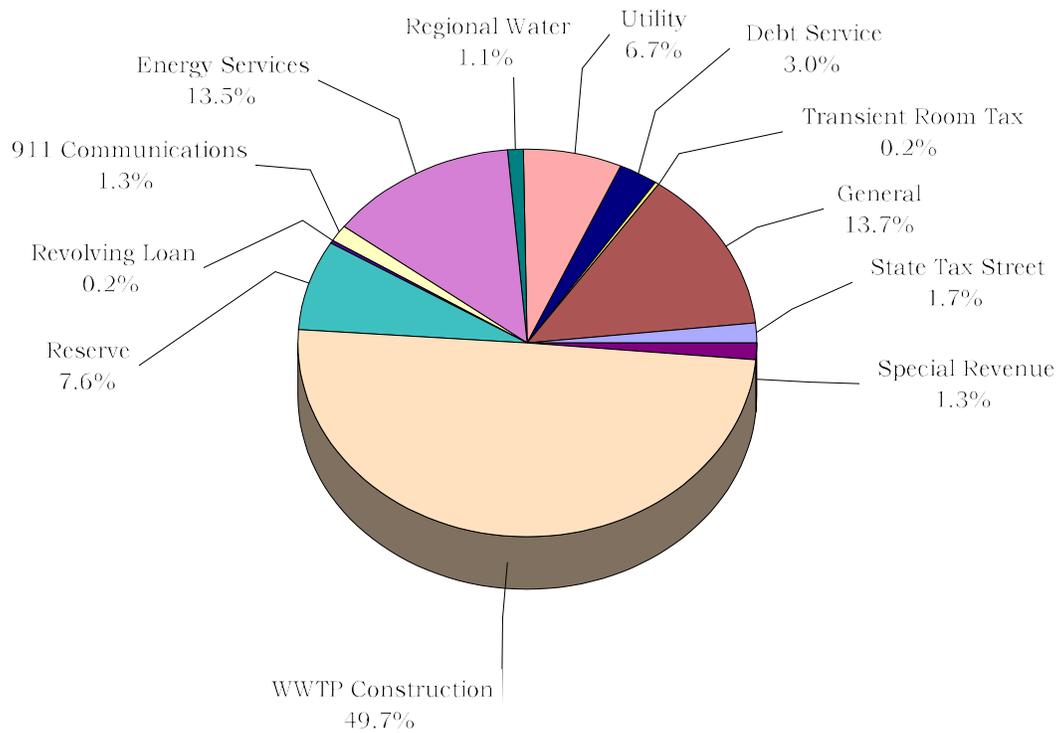
(Permanent Operating Tax Rate \$6.0860/\$1,000)

Fiscal Year	Taxable Value	Operating Rate	Operating Tax	Bond Rate	Bond Tax	Total Tax Imposed	Population
1998-99	343,341,230	4.8894	1,678,716	1.1717	402,293	2,081,009	11,595
1999-00	368,557,070	4.8894	1,802,010	1.0950	403,570	2,205,580	12,165
2000-01	405,856,680	4.8894	1,984,230	0.9565	389,150	2,373,380	12,425
2001-02	467,733,020	4.8894	2,286,839	0.7475	349,631	2,321,802	13,560
2002-03	494,029,220	4.8894	2,415,342	0.7265	358,911	2,774,253	14,120
2003-04	526,243,480	5.0841	2,676,555	0.6948	365,826	3,042,381	14,540
2004-05	561,341,500	5.0841	2,854,052	0.6749	378,912	3,232,964	14,700
2005-06	589,997,120	5.0841	2,998,901	0.6480	382,318	3,381,219	15,025
2006-07	644,683,321	6.0860	3,869,614	0.1706	109,982	3,979,596	15,410
2007-08	669,241,051	6.0860	4,030,551	0.4958	331,810	4,362,361	15,780
2008-09	705,153,815	6.0860	4,291,566	0.4817	339,672	4,631,238	16,080
2009-10	745,218,903	6.0860	4,472,692	0.5324	390,386	4,863,078	16,215
2010-11	761,094,614	6.0860	4,549,684	0.5087	387,168	4,549,684	16,745

City of Hermiston

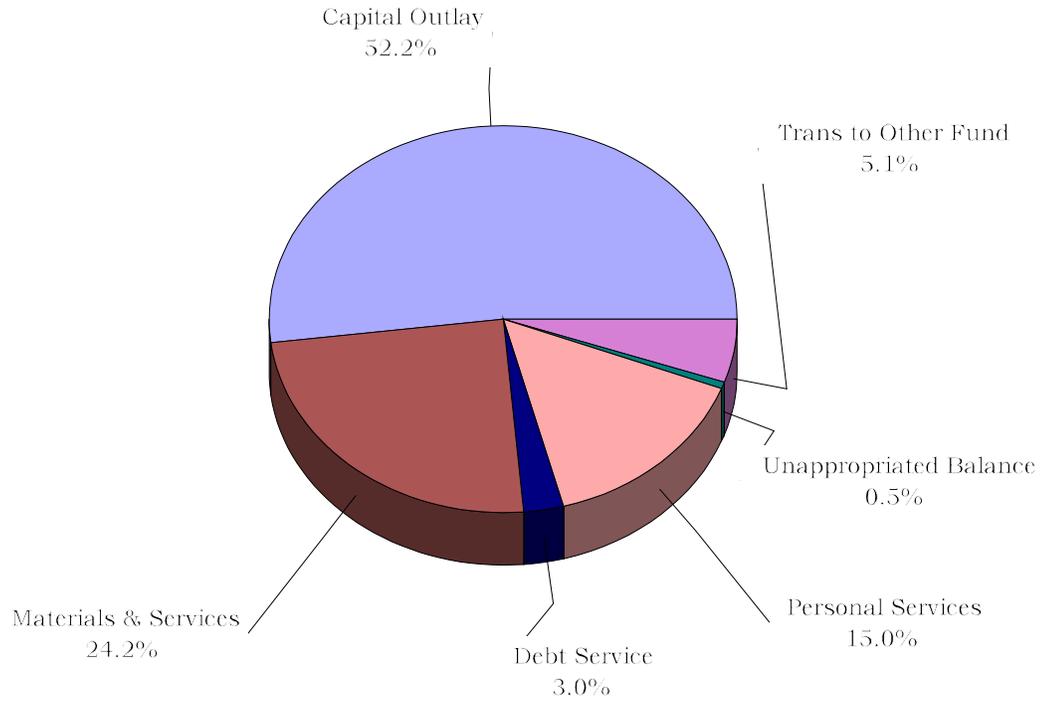


This graph reflects various resources in the 2011-12 budget.

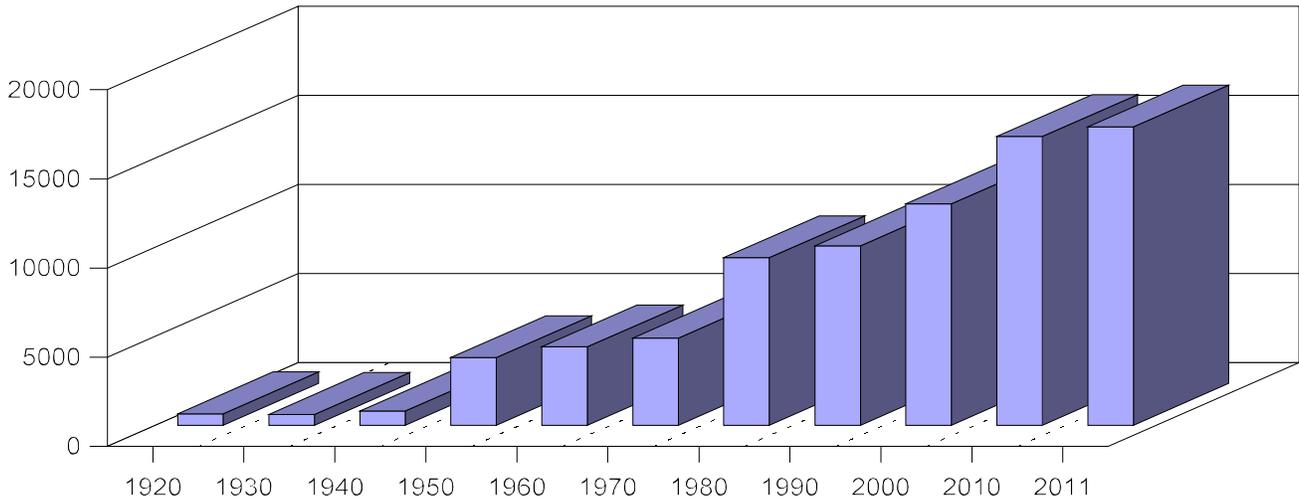


This graph reflects total expenditures by fund, inclusive of capital outlay, transfers to reserves and operating expenses in the 2011-12 budget.

City of Hermiston



This graph reflects the various expenditures by character included in the 2011-12 budget.



This graph reflects the population growth from 1920 to present.

PERSONAL SERVICES SUMMARY
 Supplemental Information
 Salaries Paid From More Than One Source

Position Description	No Emp	Total Salary	Pg	Amount	Pg	Amount	Pg	Amount	Pg	Amount
City Manager	1	109,140	82	41,170	84	41,170	98	26,800		
Finance Director	1/2	49,480	36	3,960	82	20,780	84	20,780	98	3,960
Permit Technician II	1	46,770	47	15,590	73	15,590	84	15,590		
Rec/Aquatics Coordinator	1	65,630	51	22,145	57	43,485				
Senior General Clerical	1	46,290	81	23,145	83	23,145				
Admin. Lieutenant	1	82,340	64	41,170	86	41,170				
Asst City Manager	1/2	49,575	33	37,150	76	12,425				

PERSONNEL DISTRIBUTION

	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
<u>City Council</u>						
Mayor	1	1	1	1	1	1
Councilors	8	8	8	8	8	8
<u>City Manager/Planning</u>						
City Planner	1	1	1	1	1	1
Assistant City Manager	1	1	1/4	1/4	1/4	1/4
General Clerical	1/2	1/2	1/2	1/2	1/2	1/2
<u>Finance</u>						
Finance Director/Recorder	2/5	2/5	2/5	2/5	2/5	2/5
Senior Secretary	1	1	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)
<u>Court</u>						
Municipal Judge (.33 FTE)	1	1	1	1	1	1
Court Administrator	1	1	1	1	1	1
Deputy Clerk	1	1	1	1	1	1
General Clerical	3/4	3/4	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)
<u>Building Inspections</u>						
Building Official	1	1	1	1	1	1
Building Inspector	1	1	1/2	1/2	1/2	1/2
Electrical Inspector	0	0	0	1	1	1
Permit Technician II	1 1/3	1 1/3	1/3	1/3	1/3	1/3
<u>Parks</u>						
Park Maintenance Foreman	1	1	1	1	1	1
Park/Facility Lead Worker	1	1	0	0	0	0
Municipal Service Worker II	1	1	2	2	2	2
Municipal Service Worker I	1	1	0	0	0	0
Seasonal Maintenance (3 FTE)	0	2	3	3	3	3
<u>Municipal Pool</u>						
Recreation/Aquatics Coordinator	1/3	1/3	1/3	1/3	1/3	1/3
Swim Pool (8 FTE)	10	10	10	10	10	10
<u>Library</u>						
Library Director	1	1	1	1	1	1
Librarian II	1	1	1	1	1	1
Senior Library Assistant	0	1	1	1	1	1
Library Assistant	1	1	1	1	1	1
Librarian (6.5 FTE)	6	6	6	6	6	6
<u>Recreation</u>						
Parks & Recreation Director	1	1	1	1	1	1
Recreation/Aquatics Coordinator	2/3	2/3	2/3	2/3	2/3	2/3
General Clerical	1	1	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)
Summer Park Program (5 FTE)	1	5	5	5	5	5

Personnel Distribution (Continued)

	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
<u>Police Operations</u>						
Police Chief	1	1	1	1	1	1
Administrative Lieutenant	0	0	1/2	1/2	1/2	1/2
Police Lieutenant	1	1	1	1	1	1
Administrative Sergeant	1/2	1/2	0	0	0	0
Police Sergeants	3	3	3	3	3	3
Patrol Officers	15	15	14	15	15	15
School Resource Officer	2	2	2	1	1	1
Youth Officer	1	1	1	1	1	1
Code Enforcement Officer	1	1	1	1	1	1
General Clerical	1	1	1	1	1	1
<u>Transient Room Tax</u>						
Assistant City Manager	0	0	1/4	1/4	1/4	1/4
<u>State Tax Street Fund</u>						
Street Superintendent	1	1	1	1	1	1
Street Maintenance Foreman	1	1	0	0	0	0
Permit Technician II	1/3	1/3	1/3	1/3	1/3	1/3
Mechanic/Municipal Svc Worker	1	1	1	1	1	1
Municipal Worker II	2	2	2	2	2	2
Municipal Worker I	1	1	1	1	1	1
<u>Disposal Plant Maintenance</u>						
Wastewater Superintendent	1	1	1	1	1	1
City Manager	2/5	2/5	2/5	2/5	2/5	2/5
Finance Director/Recorder	1/5	1/5	1/5	1/5	1/5	1/5
Senior General Clerical	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Utility Clerk/Cashier	1	1	1	1	1	1
Wastewater Lab Technician	1	1	1	1	1	1
Wastewater Chief Operator	1	1	1	1	1	1
Wastewater Worker III	2	2	2	0	0	0
Wastewater Worker II	2	2	2	2	2	2
Wastewater Worker I	1	1	1	3	3	3
<u>Water Production & Maintenance</u>						
Water Superintendent	1	1	1	1	1	1
City Manager	2/5	2/5	2/5	2/5	2/5	2/5
Finance Director/Recorder	1/5	1/5	1/5	1/5	1/5	1/5
Permit Technician II	1/3	1/3	1/3	1/3	1/3	1/3
Senior General Clerical	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Water Chief Operator	1	1	0	0	0	0
Water Utility Worker II	3	3	3	3	3	3
Water Utility Worker I	2	2	2	2	2	2
Meter Reader/General Clerical	1	1	1	1	1	1

Personnel Distribution (Continued)

	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
<u>911 Communications</u>						
Administrative Lieutenant	0	0	1/2	1/2	1/2	1/2
Administrative Sergeant	1/2	1/2	0	0	0	0
Dispatcher/Clerk	8	8	7	7	7	7
Data Entry Clerk	1	1	1	1	1	1
<u>Regional Water</u>						
Water Chief Operator	0	1	1	1	1	1
Water Utility Worker IV	1	0	0	0	0	0
<u>Hermiston Energy Services</u>						
Electric Utility Superintendent	1	1	1	1	1	1
City Manager	1/5	1/5	1/5	1/5	1/5	1/5
Finance Director/Recorder	1/5	1/5	1/5	1/5	1/5	1/5
Customer Service Representative	1	1	1	1	1	1

BONDED DEBT MANAGEMENT

1. Bonded Debt Fund: This fund provides for the levying of necessary property taxes to pay the outstanding general obligation bonds of the city. This fund is also required by Oregon financial policy to account for the proceeds of the general obligation bonds issued for water and sewer improvements.

2. General Obligation Debt Limit: ORS 223.295 limit on city indebtedness. "(1) A city may incur indebtedness in the form of general obligation bonds and general obligation interim financing notes pursuant to ORS 223.235.

Bond Debt Fund

The bond debt fund provides for the levying of necessary property taxes to pay the outstanding debt on the regional water bond and interest. This fund is also required by Oregon financial policy to account for the proceeds of the general obligation bonds issued for water, sewer and street improvements.

The refunded obligation of \$4,450,000 will be met in fiscal year 2024-25. Following is a payment schedule for the next seven years for the regional water bonds:

<u>Refunded Regional</u>								
<u>Water Bonds</u>	<u>Due Date</u>	<u>2011- 12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Principal	Aug	180,000	190,000	200,000	210,000	225,000	235,000	250,000
Interest	Aug/Feb	<u>183,025</u>	<u>173,865</u>	<u>164,015</u>	<u>153,455</u>	<u>142,090</u>	<u>129,720</u>	<u>116,380</u>
<u>Total</u>		363,025	363,865	364,015	363,455	367,090	364,720	366,380

In 1978 the city issued a \$3,000,000 sewer improvement bond issue for the construction and equipping of a wastewater treatment plant. This general obligation was met in fiscal year 2007-08.

In the spring of 1997 the city issued revenue bonds for utility improvements in the amount of \$4,500,000 for the purpose of financing the cost of construction of a new water reservoir, certain water pressure zone and pump improvements and regional water completion improvements. These bonds were refunded in the spring of 2007 and the obligation will be met in fiscal year 2016-17. Following is a payment schedule for the next seven years:

<u>Refunded 2007 Utility</u>								
<u>Water Bonds</u>	<u>Due Date</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Principal	Apr	248,510	255,470	266,795	277,745	293,314	303,415	
Interest	Oct/Apr	<u>67,455</u>	<u>57,270</u>	<u>46,795</u>	<u>35,855</u>	<u>24,470</u>	<u>12,440</u>	
<u>Total</u>		315,965	312,740	313,590	313,600	317,784	315,855	0

On June 30, 1998 the city issued a street improvement revenue note, series 1998 in the amount of \$750,000 for the purpose of financing the cost of local improvements. This obligation was met in fiscal year 2007-08.

In the spring of 2003 the city issued \$3,635,000 in full faith and credit obligations for the construction of a combined lap and multi-use outdoor community swimming pool and associated facilities. This obligation will be met in fiscal year 2032-33. Following is a payment schedule for the next seven years.

<u>Pool</u>								
<u>Construction</u>	<u>Due Date</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Principal	Dec	55,000	60,000	65,000	75,000	80,000	90,000	100,000
Interest	Dec/Jan	<u>144,365</u>	<u>142,395</u>	<u>140,160</u>	<u>137,470</u>	<u>134,370</u>	<u>130,970</u>	<u>129,170</u>
<u>Total</u>		199,365	202,395	205,160	212,470	214,370	220,970	229,170

In the spring of 2009 the City of Hermiston was awarded a state loan from the Special Public Works Fund for water and wastewater system improvements and roadway construction of Penny Avenue in the amount of \$76,362 at an interest rate o 4.99%. Following is a payment schedule for this loan:

Penny Avenue/Pioneer Hi-Bred Improvements

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>	<u>Balance</u>
12/01/09		1284.22	1284.22	76362.00
12/01/10	6,073.97	3,810.46	9,884.43	70,288.03
12/01/11	6,377.06	3,507.37	9,884.43	63,910.97
12/01/12	6,695.27	3,189.16	9,884.43	57,215.70
12/01/13	7,029.37	2,855.06	9,884.43	50,186.33
12/01/14	7,380.13	2,504.30	9,884.43	42,806.20
12/01/15	7,748.40	2,136.03	9,884.43	35,057.80
12/01/16	8,135.05	1,749.38	9,884.43	26,922.75
12/01/17	8,540.98	1,434.45	9,884.43	18,381.77
12/01/18	8,967.18	917.25	9,884.43	9,414.59
12/01/19	9,414.59	469.79	9,884.38	.00

In March of 1990, in conjunction with the Hermiston Foods, Inc. project, the City of Hermiston was awarded a state loan from the Special Public Works Fund for water system improvements in the amount of \$500,000 at an interest rate of 5%. This state loan was retired in 2010.

Hermiston Foods, Inc Project

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>	<u>Balance</u>
				500,000.00
July 15, 1991	7,536.89	33,835.62	41,372.51	492,463.11
July 15, 1992	16,749.35	24,623.16	41,372.51	475,713.76
July 15, 1993	17,586.82	23,785.69	41,372.51	458,126.94
July 15, 1994	18,466.16	22,906.35	41,372.51	439,660.78
July 15, 1995	19,389.47	21,983.04	41,372.51	420,271.31
July 15, 1996	20,358.94	21,013.57	41,372.51	399,912.37
July 15, 1997	21,376.89	19,995.62	41,372.51	378,535.48
July 15, 1998	22,445.74	18,926.77	41,372.51	356,089.74
July 15, 1999	23,568.02	17,804.49	41,372.51	332,521.72
July 15, 2000	24,746.42	16,626.09	41,372.51	307,775.30
July 15, 2001	25,983.74	15,388.77	41,372.51	281,791.56
July 15, 2002	27,282.93	14,089.58	41,372.51	254,508.63
July 15, 2003	28,647.08	12,725.43	41,372.51	225,861.55
July 15, 2004	30,079.43	11,293.08	41,372.51	195,782.12
July 15, 2005	31,583.40	9,789.11	41,372.51	164,198.72
July 15, 2006	33,162.57	8,209.94	41,372.51	131,036.15
July 15, 2007	34,820.70	6,551.81	41,372.51	96,215.45
July 15, 2008	36,561.74	4,810.77	41,372.51	59,653.71
July 15, 2009	38,389.82	2,982.69	41,372.51	21,263.89
July 15, 2010	21,263.89	1,063.19	22,327.08	.00

Hermiston Energy Services

The City of Hermiston entered into a \$13 million line of credit with Bank of America in September of 2001 to enable the city to acquire the assets of the electric distribution system from PacificCorp. The line of credit was the first of a two-part financing which enabled the city immediate access to low-cost, flexible funding until the city was successful in receiving “Volume Cap” allocation from the State of Oregon Private Activity Board. The cost of the line of credit was variable rate at Prime Rate less 1.50%.

Receiving “Volume Cap” allowed the city to finance the acquisition costs through a permanent bond issue on essentially a tax-exempt basis versus taxable rates, a rate savings of approximately 200 basis points. In February of 2002, the city was successful in receiving the balance of its request for “Volume Cap” and proceeded with permanent bond financing as is timely. The city worked with Banc of America Securities LLC on its permanent financing which was completed in October, 2005. This obligation will be met in fiscal year 2032-33. Following is a payment schedule for the next seven years:

2005 HES

<u>Obligations</u>	<u>Due Date</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Principal	Oct	200,000	225,000	250,000	275,000	305,000	330,000	365,000
Interest	Oct/Apr	558,240	550,265	541,115	530,740	518,950	506,060	491,160
<u>Total</u>		758,240	775,265	791,115	805,740	823,950	836,060	856,160

City of Hermiston
Resources

BONDED DEBT

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Property Taxes						
Bond Taxes	312,735	362,483	361,555	363,025	363,025	363,025
Delinquent Taxes	10,570	15,027	2,000	2,000	2,000	2,000
Property Taxes	323,305	377,510	363,555	365,025	365,025	365,025
Transfers From:						
General	188,439	192,309	190,985	199,365	199,365	199,365
Utility-Loans	41,373	21,759	9,890	9,885	9,885	9,885
Utility-B & I	310,677	314,930	313,275	315,965	315,965	315,965
Energy Services	716,104	730,999	745,090	758,240	758,240	758,240
	1,256,593	1,259,997	1,259,240	1,283,455	1,283,455	1,283,455
Admin Income	37,166					
Miscellaneous Revenues	37,166					
Cash Forward	109,015					
	109,015					
Bonded Debt	1,726,079	1,637,507	1,622,795	1,648,480	1,648,480	1,648,480

BONDED DEBT REQUIREMENTS
by character

	Due Date	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Approved
Principal:							
2007 Utility	Apr	215,460	228,430	236,135	248,510	248,510	248,510
<u>Total Utility</u>		215,460	228,430	236,135	248,510	248,510	248,510
Regional Water	Aug	160,000	165,000	170,000	180,000	180,000	180,000
<u>Total GO</u>		160,000	165,000	170,000	180,000	180,000	180,000
2005 Energy		140,000	160,000	180,000	200,000	200,000	200,000
Pool Construction	Dec	40,000	45,000	45,000	55,000	55,000	55,000
<u>Total Revenue</u>		180,000	205,000	225,000	255,000	255,000	255,000
<u>Total Principal</u>		555,460	598,430	631,135	683,510	683,510	683,510
Interest:							
2007 Utility	Oct/Apr	95,340	86,505	77,140	67,455	67,455	67,455
<u>Total Utility</u>		95,340	86,505	77,140	67,455	67,455	67,455
Regional Water	Aug/Feb	207,515	199,600	191,555	183,025	183,025	183,025
<u>Total GO</u>		207,515	199,600	191,555	183,025	183,025	183,025
2005 Energy		575,979	571,000	565,090	558,240	558,240	558,240
Pool Construction	Dec/Jun	148,440	147,310	145,985	144,365	144,365	144,365
<u>Total Revenue</u>		724,419	718,310	711,075	702,605	702,605	702,605
<u>Total Interest</u>		1,027,274	1,004,415	979,770	953,085	953,085	953,085
Penny/Pioneer SPWF	Dec		23,043	9,890	9,885	9,885	9,885
State Loan - HFI	Jun	41,373					
Unapp Balance				2,000	2,000	2,000	2,000
Bonded Debt		1,624,107	1,625,888	1,622,795	1,648,480	1,648,480	1,648,480

GENERAL FUND

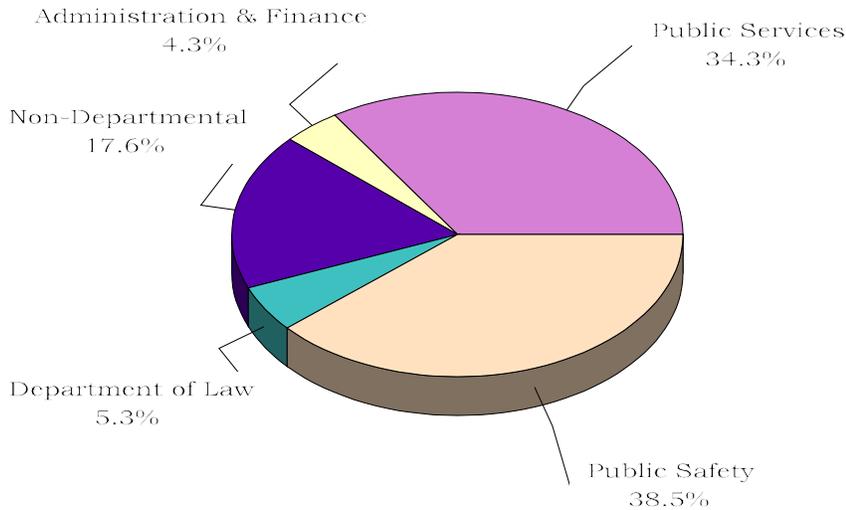
As the name implies, the general fund provides for the accounting of all revenues and expenditures not specifically categorized into a separate fund structure. The general fund is the most diverse and the largest of the city's funds. In accord with the continuing policies of the community, the general fund is the source for the inter-fund transfers necessary to augment the operations of our other functions. The general fund is the source for inter-fund transfers to the reserve fund system, the street fund, 911 communications and is the direct source for our smaller capital outlay projects related to the departments and functions accounted in the fund. The general fund departments are categorized as follows:

City Council
 City Manager/Planning
 Finance
 Legal Counsel
 Court
 Transportation
 Airport

Building Inspections
 Parks & Municipal Pool
 Municipal Buildings
 Library
 Recreation
 Conference Center
 Public Safety

Police
 Audit & Others
 Unappropriated Balance

2011-12 General Fund Appropriations



<u>Expenditures:</u>	<u>Proposed</u>
Administration & Finance	324,100
Department of Law	395,055
Public Services	2,497,605
Public Safety	2,798,550
Non-Departmental	1,302,650
<u>Total</u>	<u>\$7,317,960</u>

City of Hermiston
Resources

GENERAL

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-11 Approved	2010-12 Adopted
Property Taxes						
General Taxes	3,872,909	4,174,828	4,050,000	4,060,000	4,060,000	4,060,000
Delinquent Taxes	127,581	193,368	115,000	125,000	125,000	125,000
Property Taxes	4,000,490	4,368,196	4,165,000	4,185,000	4,185,000	4,185,000
Other Local Assessments						
Assessments Receivable	1,625	609	500			
Local Assessments	1,625	609	500			
Licenses & Franchises						
HES In Lieu of Taxes	326,819	375,117	367,500	360,000	360,000	360,000
UECA Franchise	206,600	168,892	160,000	160,000	160,000	160,000
Natural Gas Franchise	221,676	122,363	120,000	110,000	110,000	110,000
EO Telecom Franchise	7,703	7,280	8,000	2,000	2,000	2,000
Qwest Telephone Franchise	54,980	41,635	38,000	34,000	34,000	34,000
TV Franchise	61,516	60,595	50,000	54,000	54,000	54,000
Miscellaneous Franchises	432	424	400	400	400	400
Dog License & Board	4,665	4,040	3,000	3,500	3,500	3,500
Liquor Permit License	520	540	500	500	500	500
Licenses & Franchises	884,911	780,886	747,400	724,400	724,400	724,400
Fines & Penalties						
Fines	434,025	569,589	375,000	385,000	385,000	385,000
Fines & Penalties	434,025	569,589	375,000	385,000	385,000	385,000
Use of City Money						
Interest on Investments	49,784	8,889	10,000	10,000	10,000	10,000
Airport Lease Income	68,418	59,446	60,000	59,000	59,000	59,000
Use of City Money	118,202	68,335	70,000	69,000	69,000	69,000
From Other Agencies						
Liquor Apportionment	231,868	167,064	165,000	163,000	163,000	163,000
Cigarette Tax	25,023	23,587	15,000	17,000	17,000	17,000
County Taxi Grant	27,998	31,000	25,000	27,500	27,500	27,500
DUII Overtime Grant		2,873	6,000	2,000	2,000	2,000
Law Enforcement Grant	3,000					
Traffic Safety Grant	13,867	1,920	5,000			
Periodic Review Grant			100,000	30,000	30,000	30,000
State Revenue Sharing	94,500	124,140	105,000	110,000	110,000	110,000
Public Transient Grant			96,500			
From Other Agencies	396,256	350,584	517,500	349,500	349,500	349,500

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Service Charges						
Transient Room Tax	95,450	102,126	87,500	87,500	87,500	87,500
TRT - Pool	127,267	136,168	117,500	117,500	117,500	117,500
Plumbing Permits	9,573	16,961	8,000	8,000	8,000	8,000
Plan Review/Spl Insp Fee	74,960	154,078	25,000	25,000	25,000	25,000
Construction Permit Fees	99,620	214,768	75,000	50,000	50,000	50,000
District Library Contract	96,310	98,837	92,000	94,000	94,000	94,000
School District Contract	172,817	171,585	142,590	111,500	111,500	111,500
Airport Gas & Oil Sales	129,265	132,829	120,000	138,000	138,000	138,000
Airport Misc Income	797	1,122	500	450	450	450
Pool Income	268,449	253,529	265,000	230,000	230,000	230,000
Park & Recreation Fee	7,377	11,793	4,000	89,000	89,000	89,000
Service Charges	1,081,885	1,293,796	937,090	950,950	950,950	950,950
Non-Revenue Receipts						
Sale of City Real Estate	503					
Reimburse Direct Expense	14,942	33,120	15,000	20,000	20,000	20,000
Reimburse BENT & CSEPP	9,689	18,039	8,000	10,000	10,000	10,000
Non-Revenue Receipts	25,134	51,159	23,000	30,000	30,000	30,000
Miscellaneous Revenues						
Administrative Income	351,129	292,054	250,000	250,000	250,000	250,000
Sales & Service	37,828	48,382	30,000	30,000	30,000	30,000
Miscellaneous Revenues	388,957	340,436	280,000	280,000	280,000	280,000
Cash Forward	1,955,200	865,925	222,125	416,110	344,110	344,110
	1,955,200	865,925	222,125	416,110	344,110	344,110
General	9,286,687	8,689,516	7,337,615	7,389,960	7,317,960	7,317,960

SUMMARY - CONSOLIDATED GENERAL FUND EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
3-4110 City Council	30,491	17,805	25,840	24,470	24,470	24,470
4210 Mgr/Planning	307,848	285,144	218,775	215,710	215,710	215,710
4300 Finance	104,997	83,611	83,310	83,920	83,920	83,920
5100 Legal Counsel	143,840	122,078	175,850	173,500	173,500	173,500
5200 Court	259,860	196,657	226,020	221,555	221,555	221,555
6230 Transportation	139,825	138,706	142,900	140,800	140,800	140,800
6400 Airport	157,409	177,675	170,200	185,450	185,450	185,450
6500 Building Inspections	324,375	334,397	327,565	318,590	318,590	318,590
6710 Parks	639,988	479,940	483,450	488,585	488,585	488,585
6720 Municipal Pool	402,518	362,328	350,470	330,885	330,885	330,885
6730 Municipal Buildings	7,551	8,038	39,300	23,600	23,600	23,600
6740 Library	538,880	487,839	515,045	528,265	528,265	528,265
6750 Recreation	351,792	307,944	296,300	389,930	389,930	389,930
6760 Conference Center	95,549	87,878	91,500	91,500	91,500	91,500
7030 Public Safety Center	50,910	52,805	51,225	52,200	52,200	52,200
7130 Police Operations	2,699,109	2,550,095	2,677,045	2,818,350	2,746,350	2,746,350
8810 Audit & Others	1,791,363	865,503	1,437,820	1,277,650	1,277,650	1,277,650
8890 Unapp Balance			25,000	25,000	25,000	25,000
Total	8,046,305	6,558,443	7,337,615	7,389,960	7,317,960	7,317,960

CONSOLIDATED GENERAL FUND EXPENDITURES

by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	4,638,180	4,435,678	4,498,080	4,751,895	4,679,895	4,679,895
Materials & Services	1,791,563	1,388,444	1,879,975	1,609,665	1,609,665	1,609,665
Capital Outlay	101,620	18,848	162,750	51,100	51,100	51,100
Transfers:						
Reserve Fund	364,000					
Street Fund	409,960			56,070	56,070	56,070
Revolving Loan Fund				100,000	100,000	100,000
911 Communications	552,543	523,164	580,825	596,865	596,865	596,865
Bonded Debt	188,439	192,309	190,985	199,365	199,365	199,365
Unapp Balance			25,000	25,000	25,000	25,000
Total	8,046,305	6,558,443	7,337,615	7,389,960	7,317,960	7,317,960

CONSOLIDATED ADMINISTRATION & FINANCE EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
3-4110 City Council	30,491	17,805	25,840	24,470	24,470	24,470
3-4210 Mgr/Planning	307,848	285,144	218,775	215,710	215,710	215,710
3-4300 Finance	104,997	83,611	83,310	83,920	83,920	83,920
<u>Total</u>	443,336	386,560	327,925	324,100	324,100	324,100

ADMINISTRATION & FINANCE
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	375,192	359,044	287,460	285,935	285,935	285,935
Materials & Services	68,144	27,516	40,465	38,165	38,165	38,165
Capital Outlay						
<u>Total</u>	443,336	386,560	327,925	324,100	324,100	324,100

03 GENERAL FUND
 4110 CITY COUNCIL

MISSION STATEMENT: To lead the community by formulating policy and giving guidance and support to enhance Hermiston.

This fits well into the mission statement of the City of Hermiston, adopted at prior goals setting sessions which provides; "The City of Hermiston is a growth oriented Community seeking to expand and capitalize on the assets of the area, with a service oriented government commitment to providing cost effective, quality and timely services in a safe and courteous manner to the residents of this community."

The city council budget provides for the payment of our elected officials. The rates of pay are \$100 per month for councilors and \$250 per month for the mayor. The mayor and council are the policy leaders of all of the City of Hermiston, and each of the operating and capital outlay arenas identified in this budget.

The objectives and specific goals of the city council are identified in the opening budget statement and reiterated in each department.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Mayor	1	1	1	1	1	1
Councilors	8	8	8	8	8	8

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
4110 CITY COUNCIL

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	12,600	11,200	12,600	11,400	11,400	11,400
Accident Insurance	28	28	30	30	30	30
Retirement	198	209	245	245	245	245
Social Security	964	857	965	795	795	795
Personal Services	13,790	12,294	13,840	12,470	12,470	12,470
Travel & Training	12,812	2,423	8,000	8,000	8,000	8,000
Contractual Services	12,812	2,423	8,000	8,000	8,000	8,000
Food & Miscellaneous	3,889	3,088	4,000	4,000	4,000	4,000
Commodities	3,889	3,088	4,000	4,000	4,000	4,000
City Council	30,491	17,805	25,840	24,470	24,470	24,470

03 GENERAL FUND
 4210 MANAGER/PLANNING

MISSION STATEMENT: With the help of fellow employees, to accomplish policy objectives and activity priorities established by the mayor and city council, to provide mayor and city council with the information and communications needed to facilitate the decision making process and to provide the leadership and guidance among fellow employees of the city such that we may always take pride in the worth of the public services we perform, rendering those services to the very best of our individual and collective abilities.

All operating departments are coordinated by the city manager, who also functions as the treasurer, budget officer and personnel officer. Operations of the city and the accomplishment of all identified goals and objectives are the direct responsibility of the city manager. All planning functions are appropriated in this fund, as is economic development functions.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
City Planner	1	1	1	1	1	1
Assistant City Manager	1	1	1/4	1/4	1/4	1/4
General Clerical	1/2	1/2	1/2	1/2	1/2	1/2

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
4210 MANAGER/PLANNING

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	199,017	199,403	140,640	142,750	142,750	142,750
Unemployment Insurance		1,318	990	1,000	1,000	1,000
Accident Insurance	438	499	340	360	360	360
Retirement	32,073	25,832	21,120	23,255	23,255	23,255
Social Security	14,975	14,984	10,760	10,925	10,925	10,925
Medical, Dental & Life Ins	29,342	32,434	28,950	23,745	23,745	23,745
Personal Services	275,845	274,470	202,800	202,035	202,035	202,035
Other Professional Service	12,100		1,000	500	500	500
Postage	575	643	600	600	600	600
Travel & Training	6,647	3,512	5,250	5,250	5,250	5,250
Legal Publications	1,289	1,822	1,400	1,300	1,300	1,300
Telephone	2,016	2,075	2,100	2,100	2,100	2,100
Dues & Membership	1,929	1,049	1,750	1,750	1,750	1,750
Miscellaneous Contractual	5,795	298	2,000	500	500	500
Contractual Services	30,351	9,399	14,100	12,000	12,000	12,000
Office Supplies	1,377	1,083	1,500	1,300	1,300	1,300
Motor Vehicle Fuel & Oil	259	192	300	300	300	300
Motor Vehicle Parts	16		75	75	75	75
Commodities	1,652	1,275	1,875	1,675	1,675	1,675
Manager/Planning	307,848	285,144	218,775	215,710	215,710	215,710

03 GENERAL FUND
 4300 FINANCE

MISSION STATEMENT: To maintain the financial stability of the community, promote a service oriented government and provide courteous and friendly services to the residents of the community.

In addition to various administrative duties, the finance office is responsible for budget preparation and control, investment management and the billing and receipting of utility accounts, local improvements and miscellaneous billings. This office also maintains all payroll and personnel information. The department encompasses the detailed expenses to handle city management, accounting and debt management, the administration of the taxi program, the solid waste utility franchise, administration and contract management for all roadway programs and similar capital expenditures.

The finance director/recorder position is appropriated at half-time.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Finance Director/Recorder	2/5	2/5	2/5	2/5	2/5	2/5
Senior Secretary	1	1	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
4300 FINANCE

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	52,791	48,588	44,880	45,555	45,555	45,555
Unemployment Insurance		310	315	320	320	320
Accident Insurance	115	120	110	115	115	115
Retirement	15,945	5,715	7,895	8,690	8,690	8,690
Social Security	3,907	3,572	3,435	3,485	3,485	3,485
Medical, Dental & Life Ins	12,799	13,975	14,185	13,265	13,265	13,265
Personal Services	85,557	72,280	70,820	71,430	71,430	71,430
Postage	4,283	3,832	4,000	4,000	4,000	4,000
Travel & Training	3,779	685	500	500	500	500
Telephone	1,205	1,235	1,400	1,400	1,400	1,400
Repairs-Office Equipment	6,884	2,071	3,000	2,800	2,800	2,800
Dues & Membership	235	290	290	290	290	290
Contractual Services	16,386	8,113	9,190	8,990	8,990	8,990
Office Supplies	2,595	2,879	3,000	3,200	3,200	3,200
Food & Miscellaneous	459	338	300	300	300	300
Commodities	3,054	3,217	3,300	3,500	3,500	3,500
Finance	104,997	83,610	83,310	83,920	83,920	83,920

CONSOLIDATED DEPARTMENT OF LAW EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
3-5100 Legal Counsel	143,840	122,078	175,850	173,500	173,500	173,500
3-5200 Court	259,860	196,657	226,020	221,555	221,555	221,555
<u>Total</u>	403,700	318,735	401,870	395,055	395,055	395,055

DEPARTMENT OF LAW
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	179,102	179,597	214,970	210,855	210,855	210,855
Materials & Services	224,598	139,138	184,650	184,200	184,200	184,200
Capital Outlay			2,250			
<u>Total</u>	403,700	318,735	401,870	395,055	395,055	395,055

03 GENERAL FUND
5100 LEGAL COUNSEL

MISSION STATEMENT: To provide prompt legal services to the City of Hermiston city council, manager and operating departments as required.

The city attorney has a contractual relationship with the city. This budget allows for the direct payment to the attorney for providing general legal advice to the city operations, attendance at city council meetings, planning commission as required, and for other requested legal services such as land transactions and litigation, preparation of leases and public contracts and similar services. Labor negotiations are conducted by an independent firm on a retainer basis at \$1,500 per month. Prosecution costs are also included in this department.

The line item "Public Defense" has been moved from the court budget as requested by the city attorney and municipal judge.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
5100 LEGAL COUNSEL

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Other Professional Service	32,463	27,562	35,000	35,000	35,000	35,000
Prosecution	91,433	75,003	75,000	75,000	75,000	75,000
Labor Negotiations	18,000	18,000	18,000	18,000	18,000	18,000
Public Defense			44,000	44,000	44,000	44,000
Travel & Training	1,394	963	1,300	1,200	1,200	1,200
Contractual Services	143,290	121,528	173,300	173,200	173,200	173,200
Magazine, Map, Pamphlet	550	550	300	300	300	300
Commodities	550	550	300	300	300	300
Office Equipment			2,250			
Capital Outlay			2,250			
Legal Counsel	143,840	122,078	175,850	173,500	173,500	173,500

03 GENERAL FUND
 5200 COURT

MISSION STATEMENT: The mission of the court is to provide swift and efficacious justice in criminal cases. That justice shall extend to both society and to the alleged offender. The municipal court is not a civil court and any civil functions of the court are secondary in nature to the primary function of the court, which is the processing of criminal cases. The court's priority in all cases is the prompt, orderly, efficient and just resolution of court matters.

The court has exclusive jurisdiction over municipal ordinance violations and concurrent jurisdiction with Circuit Court for vehicle code offenses of all sorts, on selected statutorily defined violations and on misdemeanors.

The court staff currently consists of a part-time judge, full-time court administrator, a full-time deputy clerk and a part-time general clerical deputy clerk.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Municipal Judge (.33 FTE)	1	1	1	1	1	1
Court Administrator	1	1	1	1	1	1
Deputy Clerk	1	1	1	1	1	1
General Clerical	3/4	3/4	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)	1 (32 Hrs)

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
5200 COURT

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	124,764	126,419	130,920	133,860	133,860	133,860
Overtime	228		300	300	300	300
Unemployment Insurance		792	660	940	940	940
Accident Insurance	275	251	370	270	270	270
Retirement	15,142	10,714	21,550	23,940	23,940	23,940
Social Security	9,319	9,388	10,040	10,265	10,265	10,265
Medical, Dental & Life Ins	29,374	32,033	51,130	41,280	41,280	41,280
Personal Services	179,102	179,597	214,970	210,855	210,855	210,855
Other Professional Service	300	616	1,400	1,400	1,400	1,400
Public Defense	65,570					
Postage	2,099	2,028	2,700	2,300	2,300	2,300
Travel & Training	1,510	2,105				
Telephone	4,684	5,052	4,950	5,000	5,000	5,000
Repairs-Office Equipment	1,300	1,000				
Dues & Membership		135				
Miscellaneous Contractual	1,856	2,143	2,000	2,000	2,000	2,000
Subpoenas & Jury Fees	430	115				
Contractual Services	77,749	13,194	11,050	10,700	10,700	10,700
Office Supplies	3,009	3,266				
Magazine, Map, Pamphlet		600				
Commodities	3,009	3,866				
Office Equipment						
Capital Outlay						
Court	259,860	196,657	226,020	221,555	221,555	221,555

CONSOLIDATED PUBLIC SERVICES EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
3-6230 Transportation	139,825	138,706	142,900	140,800	140,800	140,800
3-6400 Airport	157,409	177,675	170,200	185,450	185,450	185,450
3-6500 Building Inspection	324,375	334,397	327,565	318,590	318,590	318,590
3-6710 Parks	639,988	479,940	482,075	488,585	488,585	488,585
3*6720 Municipal Pool	402,518	362,328	335,470	330,885	330,885	330,885
3-6730 Municipal Bldgs	7,551	8,038	9,300	23,600	23,600	23,600
3-6740 Library	538,880	487,839	515,045	528,265	528,265	528,265
3-6750 Recreation	351,792	307,944	296,300	389,930	389,930	389,930
3-6760 Conference Center	95,549	87,878	91,500	91,500	91,500	91,500
Total	2,657,887	2,384,745	2,370,355	2,497,605	2,497,605	2,497,605

PUBLIC SERVICES
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	1,661,715	1,562,657	1,544,465	1,648,740	1,648,740	1,648,740
Materials & Services	840,220	805,370	805,890	828,865	828,865	828,865
Capital Outlay	41,952	16,718	20,000	20,000	20,000	20,000
Transfer to Reserve	114,000					
Total	2,657,887	2,384,745	2,370,355	2,497,605	2,497,605	2,497,605

03 GENERAL FUND
6230 TRANSPORTATION

MISSION STATEMENT: To provide quality taxi services to senior citizens and handicapped individuals in the community to the maximum extent possible within the fiscal constraints of the city.

Originally developed as a Federal Revenue Sharing program in the early 70's, the taxi program has evolved from a less than \$20,000 per year program to its current level.

Along with the direct costs contained in the taxi subsidy, the city provides personnel support to sell tickets, account and report utilization, purchase tickets, assist riders in obtaining tickets and securing rides. The cost to the general fund is over \$3,000 per year in manpower investments and purchase of supplies.

The costs projected for the program are based on ridership and eligible participants. The grant revenues from county sources this year are projected at \$27,500.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6230 TRANSPORTATION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Printing	746	792	900	800	800	800
Taxi Program	139,079	137,914	142,000	140,000	140,000	140,000
Contractual Services	139,825	138,706	142,900	140,800	140,800	140,800
Transportation	139,825	138,706	142,900	140,800	140,800	140,800

03 GENERAL FUND
6400 AIRPORT

MISSION STATEMENT: To greet the aviation public in a friendly, positive and courteous manner, providing a clean and attractive environment along with quality service. As the airport often provides visitors to Hermiston with their first impression, the airport personnel recognize the importance of a friendly and helpful attitude.

Hermiston Municipal Airport is operated on a contract basis by Hermiston Aviation, Inc. The employees of Hermiston Aviation, Inc. are not city employees. Compensation for the service is provided by allowing a flat monthly contract fee and the occupancy of the city-owned airport managers home.

The airport provides two grades of aviation fuel and oil products for the government, military, corporate and general aviation pilots who use the facility. Along with fuel sales, the airport provides 40+ tie down spaces, two city-owned enclosed hangars and one open hangar. The terminal building is used regularly by several aviation related organizations as a meeting site and also houses occasional meetings relating to city business.

The day to day maintenance and operation is the responsibility of the airport manager, who occasionally hires speciality contractors to perform specific maintenance tasks. Other city departments also provide manpower, equipment and expertise on a limited, as needed basis to assist in the overall maintenance of the airport. The Assistant City Manager is staff representative to the Airport Advisory Committee and provides administration for capital improvement projects.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6400 AIRPORT

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Other Professional Service	34,906	36,494	37,100	37,100	37,100	37,100
Property & Liability Ins	3,654	11,337	10,000	10,000	10,000	10,000
Electricity	12,223	12,209	12,600	12,600	12,600	12,600
Telephone	2,444	2,477	2,500	2,500	2,500	2,500
Cleaning & Painting		87	50	50	50	50
Miscellaneous Contractual	4,293	3,553	6,000	6,250	6,250	6,250
Licenses & Permits	426	233	150	150	150	150
Contractual Services	57,946	66,390	68,400	68,650	68,650	68,650
Office Supplies	84	644	100	100	100	100
Clean/Sanitation Supplies	198	445	250	300	300	300
Food & Miscellaneous	243	188	100	100	100	100
Minor/Safety Equipment	1,332	338	650	600	600	600
Motor Vehicle Fuel & Oil	97,386	108,848	100,000	115,000	115,000	115,000
Parts For Operating Equip	220	822	700	700	700	700
Commodities	99,463	111,285	101,800	116,800	116,800	116,800
Airport	157,409	177,675	170,200	185,450	185,450	185,450

MISSION STATEMENT: To provide effective public service for residential and commercial structures through education and safety for the citizens of Hermiston

The building official assists in negotiation with developers and builders to the extent and character of individual developments as well as in land use compatibility. The building official shall render interpretations pertaining to code and will adopt and enforce rules and supplemental regulations to clarify the application of its provisions. Such interpretations, rules and regulations shall be in conformance with the intent and purpose of the code.

In the past year the building division has accomplished the following additional activities:

- ◆ Provided interdepartmental liaison activity on private and public developments.
- ◆ Investigated citizen complaints on land use and zoning violations.
- ◆ Investigate and maintain files for dust complaints.
- ◆ Investigate and enforce all applicable city ordinances.
- ◆ Provided a complete building program including commercial plumbing, electric, plan review, structural and mechanical services.
- ◆ Received Class 3 rating by ISO for Department effectiveness.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Building Official	1	1	1	1	1	1
Building Inspector	1	1	1/2	1/2	1/2	1/2
Electrical Inspector	0	0	0	1	1	1
Permit Technician II	1 1/3	1 1/3	1/3	1/3	1/3	1/3

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6500 BUILDING INSPECTIONS

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	204,792	218,951	192,240	195,125	195,125	195,125
Overtime			350	350	350	350
Unemployment Insurance		1,501	1,350	1,370	1,370	1,370
Accident Insurance	2,139	2,822	2,430	2,825	2,825	2,825
Retirement	33,709	28,639	39,100	43,045	43,045	43,045
Social Security	15,356	16,404	14,735	14,955	14,955	14,955
Medical, Dental & Life Ins	36,532	47,078	53,595	37,655	37,655	37,655
Personal Services	292,528	315,395	303,800	295,325	295,325	295,325
Postage	300	250	275	275	275	275
Travel & Training	2,287	1,450	2,700	2,400	2,400	2,400
Electricity	1,777	1,821	2,250	2,100	2,100	2,100
Telephone	2,915	3,399	2,900	3,400	3,400	3,400
Repairs-Motor Vehicles			50	50	50	50
Other Repairs			50	50	50	50
Cleaning & Painting	1,743	1,740	1,740	1,740	1,740	1,740
Dues & Membership	1,050	440				
Miscellaneous Contractual	6,485	3,187	6,250	6,000	6,000	6,000
Contractual Services	16,557	12,287	16,215	16,015	16,015	16,015
Office Supplies	3,599	1,076	3,000	2,750	2,750	2,750
Magazine, Map, Pamphlet	574	601				
Food & Miscellaneous	341	334	250	250	250	250
Fuel-Other Than Vehicle	2,543	2,184	2,350	2,350	2,350	2,350
Minor/Safety Equipment	59	23				
Motor Vehicle Fuel & Oil	1,500	2,198	1,550	1,550	1,550	1,550
Motor Vehicle Parts	610	299	400	350	350	350
Commodities	9,226	6,715	7,550	7,250	7,250	7,250
Motor Vehicles	6,064					
Capital Outlay	6,064					
Building Inspections	324,375	334,397	327,565	318,590	318,590	318,590

03 GENERAL FUND
 6710 PARKS

MISSION STATEMENT: The City of Hermiston Parks Department protects and improves Hermiston’s environmental resources for the enjoyment of the citizens. The department are to provides:

- ◆ Space to learn and play.
- ◆ Space to be safe and secure.
- ◆ Space to create and imagine.

Park department objectives for fiscal year 2011-12:

- ◆ Maintain the maintenance schedules at all times.
 Provide seven day a week park restroom and garbage maintenance March through October.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Park Maintenance Foreman	1	1	1	1	1	1
Park/Facility Lead Worker	1	1	0	0	0	0
Municipal Worker II	1	1	2	2	2	2
Municipal Worker I	1	1	0	0	0	0
Seasonal Maintenance (3 FTE)	0	2	3	3	3	3

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6710 PARKS

	2008-08 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	254,830	233,862	218,010	223,930	223,930	223,930
Overtime	4,907	3,294	1,765	1,765	1,765	1,765
Unemployment Insurance		1,216	1,540	160	160	160
Accident Insurance	9,902	8,885	8,465	9,030	9,030	9,030
Retirement	34,302	23,105	44,615	49,670	49,670	49,670
Social Security	19,449	17,854	16,815	17,670	17,670	17,670
Medical, Dental & Life Ins	49,605	39,736	57,715	47,460	47,460	47,460
Personal Services	372,995	327,952	348,925	349,685	349,685	349,685
Travel & Training	2,530	1,319	3,675	2,300	2,300	2,300
Electricity	17,112	17,598	17,500	18,000	18,000	18,000
Telephone	3,846	4,048	3,650	4,100	4,100	4,100
Miscellaneous Contractual	40,149	52,910	47,000	47,000	47,000	47,000
Contractual Services	63,637	75,875	71,825	71,400	71,400	71,400
Ag & Hort Supplies	10,855	8,287	6,000	6,000	6,000	6,000
Chemicals	4,611	8,093	4,000	4,000	4,000	4,000
Clean/Sanitation Supplies	1,171	2,285	1,200	2,000	2,000	2,000
Minor/Safety Equipment	10,522	17,166	12,000	16,000	16,000	16,000
Motor Vehicle Fuel & Oil	20,723	17,555	20,000	21,000	21,000	21,000
Motor Vehicle Parts	1,308	1,904	3,500	2,000	2,000	2,000
Paint & Paint Supplies	4,337	5,743	3,000	3,000	3,000	3,000
Plmb/Sewage Supplies	21,878	11,461	10,000	10,000	10,000	10,000
Parts For Operating Equip	6,273	3,619	3,000	3,500	3,500	3,500
Commodities	81,678	76,113	62,700	67,500	67,500	67,500
Other Equipment	7,678					
Res-Park Improvements	114,000					
Res-Centennial Bell						
Capital Outlay	121,678					
Parks	639,988	479,940	483,450	488,585	488,585	488,585

MISSION STATEMENT: To develop, implement, direct and evaluate diverse aquatic opportunities for the benefit of the community. These opportunities will be provided in a cost effective manner to insure community-wide participation.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Rec/Aquatics Coordinator	1/3	1/3	1/3	1/3	1/3	1/3
Summer Pool (8 FTE)	10	10	10	10	10	10

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6720 MUNICIPAL POOL

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	181,038	172,463	157,560	142,880	142,880	142,880
Overtime	1,191	232	500	500	500	500
Unemployment Insurance		726	160	1,000	1,000	1,000
Accident Insurance	5,819	5,279	870	5,725	5,725	5,725
Retirement	8,201	5,669	4,585	5,045	5,045	5,045
Social Security	13,891	13,157	1,730	10,970	10,970	10,970
Medical, Dental & Life Ins	5,776	6,383	6,390	5,715	5,715	5,715
Personal Services	215,916	203,909	171,795	171,835	171,835	171,835
Postage	230		425	200	200	200
Travel & Training	1,588	105	1,000	1,000	1,000	1,000
Advertising	416	697	4,000	2,000	2,000	2,000
Property & Liability Ins	5,756	5,796	5,000	5,000	5,000	5,000
Electricity	20,201	18,911	22,500	22,000	22,000	22,000
Telephone	1,674	2,280	2,500	2,500	2,500	2,500
Dues & Membership	135	150				
Miscellaneous Contractual	28,053	36,092	30,000	20,000	20,000	20,000
Licenses & Permits	350	645	750	650	650	650
Contractual Services	58,403	64,676	66,175	53,350	53,350	53,350
Office Supplies	6,421	6,778	6,000	6,000	6,000	6,000
Chemicals	36,123	22,853	24,000	25,000	25,000	25,000
Clean/Sanitation Supplies	3,300	3,149	3,000	3,200	3,200	3,200
Food & Miscellaneous	19,330	15,986	18,500	17,500	17,500	17,500
Fuel-Other Than Vehicle	48,945	34,725	55,000	45,000	45,000	45,000
Paint & Paint Supplies	3,769	4,041	1,000	3,500	3,500	3,500
Plmb/Sewage Supplies	4,496	724	2,500	2,500	2,500	2,500
Recreational Supplies	4,506	4,907	2,500	3,000	3,000	3,000
Uniforms	1,309	580				
Commodities	128,199	93,743	112,500	105,700	105,700	105,700
Municipal Pool	402,518	362,328	350,470	330,885	330,885	330,885

03 GENERAL FUND
6730 MUNICIPAL BUILDINGS

MISSION STATEMENT: The direct costs of the operations of the city hall is specifically budgeted in this account. This budget is a central accounting location to consolidate costs and avoid allocating costs to the individual uses of the buildings.

City hall is the location where utility billings and other related activities are housed, it was determined that the costs related to this facility are justified to be split between the general fund, water and wastewater. Therefore, this fund has been appropriated to these three funds.

No personnel are assigned. No cost allocation is made to operating departments, although the street department does try to have a man available to do general maintenance on all municipal buildings.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6730 MUNICIPAL BUILDINGS

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Electricity	2,520	2,214	2,650	2,600	2,600	2,600
Repairs-Buildings	803	494	800	750	750	750
Repairs-Machinery/Equip	263	1,699	450	450	450	450
Cleaning & Painting	2,640	2,660	2,750	2,700	2,700	2,700
Miscellaneous Contractual	294	103	31,500	16,000	16,000	16,000
Contractual Services	6,520	7,170	38,150	22,500	22,500	22,500
Clean/Sanitation Supplies	134	146	200	200	200	200
Fuel-Other Than Vehicle	706	687	800	750	750	750
Minor/Safety Equipment	191	35	150	150	150	150
Commodities	1,031	868	1,150	1,100	1,100	1,100
Municipal Buildings	7,551	8,038	39,300	23,600	23,600	23,600

MISSION STATEMENT: To provide to the public, in a friendly and courteous manner, timely access to information and exposure to cultural events for the purpose of learning, self-development or life enhancement.

STATISTICS (Calendar Year)	2009	2010
Items Checked Out (total count)	105,795	85,961
Active Library Cards	10,123	8,720
Overdues	5,701	6,005
Renewals	6,570	5,369
Programs Presented	390	351
Program Attendance	10,642	9,922
Reference Questions Answered	2,105	1,511
Number of Volunteer Hours	1,802	1,908
Total Inter-Library Loans	3,344	3,987
Use of Internet Stations	16,182	14,279

2010-2011 Major Events:

- ◆ Finished flooring and additional upgrades to staff areas.
- ◆ Operated first year of the two year grant for outreach librarian through the FINRA/ALA SmartInvesting grant.
- ◆ Continued participation in LEO funded Sense of Place programming.
- ◆ Migrated to Evergreen open source Integrated Library System (ILS) for the Sage consortium.
- ◆ Finished hardware and software upgrades with Gates and Friends of the Library matching grant funds.

2010-2011 Goals:

- ◆ Continue 100% collection weeding.
- ◆ Operate final year LEO Leads SmartInvesting @ your library © project.
- ◆ Develop the library’s first Strategic Planning Document.

2011-2012 Goals:

- ◆ Continue 100% collection weeding.
- ◆ Operate final year LEO Leads SmartInvesting @ your library © project.
- ◆ Paint grant murals in the downstairs library.
- ◆ Develop plans for renovation of the downstairs library. (Paint/flooring/public bathrooms.)

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Library Director	1	1	1	1	1	1
Librarian II	1	1	1	1	1	1
Senior Library Assistant	0	1	1	1	1	1
Library Assistant	2	1	1	1	1	1
Librarian (6.5 FTE)	6	6	6	6	6	6

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6740 LIBRARY

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-11 Adopted
Personal Services	346,385	332,877	334,475	337,695	337,695	337,695
Unemployment Insurance		2,051	2,345	2,365	2,365	2,365
Accident Insurance	754	814	805	845	845	845
Retirement	55,780	42,409	67,920	74,360	74,360	74,360
Social Security	26,302	25,296	25,595	25,835	25,835	25,835
Medical, Dental & Life Ins	23,468	20,105	19,755	24,065	24,065	24,065
Personal Services	452,689	423,552	450,895	465,165	465,165	465,165
Postage	395	226	350	300	300	300
Travel & Training	2,107			500	500	500
Electricity	8,342	8,190	8,000	9,000	9,000	9,000
Telephone	1,856	2,014	1,900	2,100	2,100	2,100
Repairs-Buildings	2,411	5,828	4,000	4,000	4,000	4,000
Cleaning & Painting	14,391	8,441	2,800	2,200	2,200	2,200
Dues & Membership	240					
Miscellaneous Contractual	16,917	16,847	16,600	15,000	15,000	15,000
Contractual Services	46,659	41,546	33,650	33,100	33,100	33,100
Office Supplies	9,265	4,868	7,000	7,000	7,000	7,000
Magazine, Map, Pamphlet	1,484	879	1,000	1,000	1,000	1,000
Clean/Sanitation Supplies		25	2,000	1,500	1,500	1,500
Food & Miscellaneous	339	105				
Minor/Safety Equipment	106	5	200	200	200	200
Motor Vehicle Fuel & Oil	128	136	300	300	300	300
Commodities	11,322	6,018	10,500	10,000	10,000	10,000
Library Books & Equip	20,956	16,718	20,000	20,000	20,000	20,000
Office Equipment	7,254					
Capital Outlay	28,210	16,718	20,000	20,000	20,000	20,000
Library	538,880	487,834	515,045	528,265	528,265	528,265

03 GENERAL FUND
 6750 RECREATION

MISSION STATEMENT: The City of Hermiston Recreation Department promotes and provides recreational and leisure activities for the enjoyment of the citizens. The goals of the department are to provide:

- ◆ Place to learn and play.
- ◆ Place to be safe and secure.
- ◆ Place to create and imagine.

Recreation Department objectives for fiscal year 2011-12:

- ◆ Maintain the current level of opportunities and refine them to ensure efficient and cost effective program delivery.
- ◆ Expand recreation programs to meet the needs and desires of the citizens.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Parks/Recreation Director	1	1	1	1	1	1
Rec/Aquatics Coordinator	2/3	2/3	2/3	2/3	2/3	2/3
General Clerical	1	1	1 (32 Hrs.)	1 (32 Hrs.)	1 (32 Hrs.)	1 (32 Hrs.)
Seasonal Part-time (5FTE)	1	5	5	5	5	5

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6750 RECREATION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	226,034	199,700	177,055	242,715	242,715	242,715
Overtime			500	50	50	50
Unemployment Insurance		1,302	1,245	1,705	1,705	1,705
Accident Insurance	5,755	2,359	5,625	5,420	5,420	5,420
Retirement	33,703	23,697	36,045	53,555	53,555	53,555
Social Security	16,907	14,853	13,585	18,610	18,610	18,610
Medical, Dental & Life Ins	45,188	49,938	49,995	44,675	44,675	44,675
Personal Services	327,587	291,849	284,050	366,730	366,730	366,730
Postage	8		200	200	200	200
Travel & Training	4,941	4,029	2,000	3,000	3,000	3,000
Advertising	3,650	3,638	3,900	3,900	3,900	3,900
Telephone	212	216	250	250	250	250
Repairs-Office Equipment	154					
Dues & Membership	997	570	750	750	750	750
Miscellaneous Contractual	9,982	1,998		10,000	10,000	10,000
Contractual Services	19,944	10,451	7,100	18,100	18,100	18,100
Office Supplies	1,000	1,384	1,750	1,500	1,500	1,500
Food & Miscellaneous	8	1,000				
Minor/Safety Equip	1,018					
Motor Vehicle Fuel & Oil	1,192	1,444	1,200	1,800	1,800	1,800
Recreational Supplies	1,043	1,818	1,800	1,500	1,500	1,500
Uniforms			400	300	300	300
Commodities	4,261	5,646	5,150	5,100	5,100	5,100
Recreation	351,792	307,946	296,300	389,930	389,930	389,930

03 GENERAL FUND
6760 CONFERENCE CENTER

MISSION STATEMENT: To serve the needs of Hermiston and the surrounding area for cultural events, public and private conferences, shows, exhibitions and private functions.

The City of Hermiston owns the Hermiston Conference and Convention Center and funds the operation thereof. A portion of the transient room tax is dedicated for improvements, maintenance and operation of the conference center.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
6760 CONFERENCE CENTER

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Other Professional Service	64,350	64,350	64,350	64,350	64,350	64,350
Property & Liability Ins	3,354	3,594	3,200	3,400	3,400	3,400
Electricity	15,305	15,178	15,400	15,500	15,500	15,500
Miscellaneous Contractual	6,063	228	2,500	2,500	2,500	2,500
Contractual Services	89,072	83,350	85,450	85,750	85,750	85,750
Fuel-Other Than Vehicle	5,292	4,528	5,750	5,500	5,500	5,500
Minor/Safety Equipment	1,185		300	250	250	250
Commodities	6,477	4,528	6,050	5,750	5,750	5,750
Conference Center	95,549	87,878	91,500	91,500	91,500	91,500

CONSOLIDATED PUBLIC SAFETY EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
3-7030 Public Safety Ctr	50,910	52,805	51,225	52,200	52,200	52,200
3-7130 Operations	2,699,109	2,550,095	2,677,045	2,818,350	2,746,350	2,746,350
Total	2,750,019	2,602,900	2,728,270	2,870,550	2,798,550	2,798,550

PUBLIC SAFETY
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	2,422,171	2,334,380	2,436,185	2,606,365	2,534,365	2,534,365
Materials & Services	268,180	266,390	231,585	233,085	233,085	233,085
Capital Outlay	59,668	2,130	60,500	31,100	31,100	31,100
Transfer to Reserve						
Total	2,750,019	2,602,900	2,728,270	2,870,550	2,798,550	2,798,550

03 GENERAL FUND
7030 PUBLIC SAFETY CENTER

MISSION STATEMENT: To provide a consolidated location for the expenses of the structure occupied by the municipal court, police and fire functions.

This functions similar to the municipal buildings budget, designed to allow accounting simplicity. The costs of the area are potentially allocable to the municipal court, fire and police functions. However, the necessity for percentage allocations and similar relatively complex accounting called for the creation of this budget for simplicity. The operation and maintenance of the building located at 330 S. First Street and the HPD annex are contained in this fund.

There are no personnel assigned to this budget. A contractual relationship for custodial services is maintained.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
7030 PUBLIC SAFETY CENTER

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Electricity	20,269	20,834	20,250	21,000	21,000	21,000
Telephone	3,897	4,283	4,250	4,300	4,300	4,300
Repairs-Buildings	4,426	5,575	4,500	4,500	4,500	4,500
Repairs-Machinery/Equip		266				
Cleaning & Painting	16,702	16,698	16,250	16,700	16,700	16,700
Miscellaneous Contractual	159	242	100	100	100	100
Contractual Services	45,453	47,898	45,350	46,600	46,600	46,600
Clean/Sanitation Supplies	41		25			
Fuel-Other Than Vehicle	5,358	4,907	5,800	5,600	5,600	5,600
Minor/Safety Equipment	58		50			
Commodities	5,457	4,907	5,875	5,600	5,600	5,600
Public Safety Center	50,910	52,805	51,225	52,200	52,200	52,200

03 GENERAL FUND
7130 POLICE - OPERATIONS

MISSION STATEMENT: The Hermiston Police Department continues to be a highly efficient policing entity cognizant and receptive to the wants and needs of the citizens in which they serve. The Department will continue to incorporate results from the annual survey asking the citizens of Hermiston how they feel their police department is doing and what areas of concern they may have in their individual neighborhoods. These results as with past results are integrated into each member's annual goals and objectives.

Members of the Department practice clear, open and honest communication. Supervisors encourage independent thought process in identifying, analyzing, researching, and assessing day to day problems officers may encounter. This type of work culture is conducive to effectively accomplishing the vision and mission statements of the Department.

The City of Hermiston has always enjoyed a low experience of major or violent person crimes, and this trend continues through the utilization of advanced technology in the day to day operations of the patrol section. The Department will continue to seek out grants for monies and equipment to assist with enforcement and preventative efforts. Each supervisor of the Department has been tasked with researching, writing, and submitting (1) grant specific to the overall mission of the Department.

The Department continues its focus on trying to reduce the opportunity for crimes by enabling citizens to join Neighborhood Watch Groups specific to the area in which they reside or businesses to join the Hermiston Business Watch Program so they can be cognizant of crime experiences taking place in the city. To date, the Hermiston Police Department currently manages 57 active neighborhood watch groups and 140 businesses with the Business Watch Program. The Hermiston Police Department was the recipient of "Traffic Safety Excellence" award from the State of Oregon for its educational public service announcement.

In 2009, the Administrative Sergeant position was upgraded to an Administrative Lieutenant. The department authorized officer position was also reduced by one FTE.

Other specific highlights in 2010 included:

- ◆ Crime reports at a 10 year low.
- ◆ Officer Initiated Activity up 11%.
- ◆ Motor Vehicle Thefts at a 10 year low.
- ◆ Successful Community Accountability Board (CAB) interaction.
- ◆ Conducted 81 presentations to 6,637 citizens.
- ◆ Provided for 500 families with the Christmas Express Program..

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Police Chief	1	1	1	1	1	1
Administrative Lieutenant	1/2	1/2	1/2	1/2	1/2	1/2
Police Lieutenant	1	1	1	1	1	1
Police Sergeants	3	3	3	3	3	3
Patrol Officers	15	15	14	15	15	15
School Resource Officer	2	2	2	1	1	1
Youth Officer	1	1	1	1	1	1
Code Enforcement Officer	1	1	1	1	1	1
General Clerical	1	1	1	1	1	1

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
7130 POLICE - OPERATIONS

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	1,529,527	1,496,652	1,459,650	1,574,115	1,502,115	1,502,115
Overtime	66,472	61,505	73,000	72,000	72,000	72,000
Unemployment Insurance		9,479	10,730	11,020	11,020	11,020
Accident Insurance	64,503	51,243	66,180	47,370	47,370	47,370
Retirement	266,863	207,524	311,130	364,255	364,255	364,255
Social Security	115,256	112,164	117,250	120,420	120,420	120,420
Medical, Dental & Life Ins	379,550	395,813	398,245	417,185	417,185	417,185
Personal Services	2,422,171	2,334,380	2,436,185	2,606,365	2,534,365	2,534,365
Other Professional Service	442	112	1,000	900	900	900
Postage	2,304	2,685	3,000	2,900	2,900	2,900
Travel & Training	25,487	22,238	17,500	17,500	17,500	17,500
Repairs-Motor Vehicles	9,145	20,310	15,000	15,000	15,000	15,000
Dues & Membership	1,025	1,150	735	1,110	1,110	1,110
Laundry/Other Sanitation	3,706	3,220	3,800	3,600	3,600	3,600
Informant Information	1,000	1,000	1,000	1,000	1,000	1,000
Animal Impound Service	30,440	28,105	30,400	33,000	33,000	33,000
Miscellaneous Contractual	49,591	36,892	11,675	11,675	11,675	11,675
Nuisance Abatement	5,996	4,500	4,500	4,000	4,000	4,000
DARE		2,500	2,500			
Crime Prevention		4,857				
Contractual Services	129,136	127,569	91,110	90,685	90,685	90,685
Office Supplies	15,425	16,426	15,500	15,500	15,500	15,500
Food & Miscellaneous	699	1,676	1,750	1,700	1,700	1,700
Minor/Safety Equipment	9,196	8,280	7,500	7,500	7,500	7,500
Motor Vehicle Fuel & Oil	45,036	42,139	45,000	46,000	46,000	46,000
Motor Vehicle Parts	4,735	4,996	6,000	6,000	6,000	6,000
Uniforms	11,229	10,299	11,000	11,000	11,000	11,000
Reserve Equip/Uniforms	1,814	2,200	2,500	2,500	2,500	2,500
Commodities	88,134	86,016	89,250	90,200	90,200	90,200
Motor Vehicles	57,253		58,000	25,000	25,000	25,000
Other Equipment	2,415	2,130	2,500	6,100	6,100	6,100
Capital Outlay	59,668	2,130	60,500	31,100	31,100	31,100
Police - Operations	2,699,109	2,550,095	2,677,045	2,818,350	2,746,350	2,746,350

CONSOLIDATED NON-DEPARTMENTAL EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
3-8810 Audit & Others	1,791,363	865,503	1,262,820	1,277,650	1,277,650	1,277,650
3-8890 Unapp Balance			25,000	25,000	25,000	25,000
Total	1,791,363	865,503	1,287,820	1,302,650	1,302,650	1,302,650

NON-DEPARTMENTAL
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services						
Materials & Services	390,421	150,030	491,010	325,350	325,350	325,350
Capital Outlay						
Transfers:						
Reserve	250,000			56,070	56,070	56,070
Street	409,960					
Revolving Loan				100,000	100,000	100,000
911 Communications	552,543	523,164	580,825	596,865	596,865	596,865
Bonded Debt	188,439	192,309	190,985	199,365	199,365	199,365
Unapp Balance			25,000	25,000	25,000	25,000
Total	1,791,363	865,503	1,287,820	1,302,650	1,302,650	1,302,650

03 GENERAL FUND
8810 AUDIT & OTHERS

MISSION STATEMENT: To provide a non-apportioned general fund accounting entity which allows for costs which are not readily divided into the appropriation areas of the operating budget, and for those costs which are beneficial to the entire operation.

The appropriations in this category include specialized services such as general publication of council activity and ordinances, memberships in organizations such as the local chamber and the League of Oregon Cities, expenses incurred in the sale of city foreclosed property, and similar expenses.

No personnel are included in this department.

City of Hermiston
Detailed Expenditures

03 GENERAL FUND
8810 AUDIT & OTHERS

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Accounting & Auditing	4,528	4,915	5,250	5,300	5,300	5,300
Other Professional Service	31,118	29,664	150,000	90,000	90,000	90,000
Legal Publications	1,780	1,185	1,750	1,500	1,500	1,500
Property & Liability Ins	68,096	65,927	60,000	60,000	60,000	60,000
Dues & Membership	12,040	12,114	12,200	13,000	13,000	13,000
Miscellaneous Contractual	261,858	33,155	160,000	150,000	150,000	150,000
Operating Contractual Svc			191,010			
Contractual Services	379,420	146,960	580,210	319,800	319,800	319,800
Food & Miscellaneous	5,090	2,406	4,800	4,800	4,800	4,800
Minor/Safety Equipment	5,911	664	1,000	750	750	750
Commodities	11,001	3,070	5,800	5,550	5,550	5,550
Other Improvements			30,000	28,000	28,000	28,000
Trans to Reserve Fund	250,000					
Trans to Street Fund	409,960			56,070	56,070	56,070
Trans to Bicycle Trails			50,000			
Trans to 911 Communication	552,543	523,164	580,825	596,865	596,865	596,865
Trans to Revolving Loan				100,000	100,000	100,000
Trans to Bonded Debt	188,439	192,309	190,985	199,365	199,365	199,365
Capital Outlay	1,400,942	715,473	851,810	960,850	960,850	960,850
Audit & Others	1,791,363	865,503	1,437,820	1,286,200	1,286,200	1,286,200

03 GENERAL FUND
8890 UNAPPROPRIATED BALANCE

MISSION STATEMENT: To provide minimum cash flow for the ensuing fiscal period in accord with the municipal budget act.

No personnel are contained in this appropriation.

City of Hermiston
Detailed Expenditures

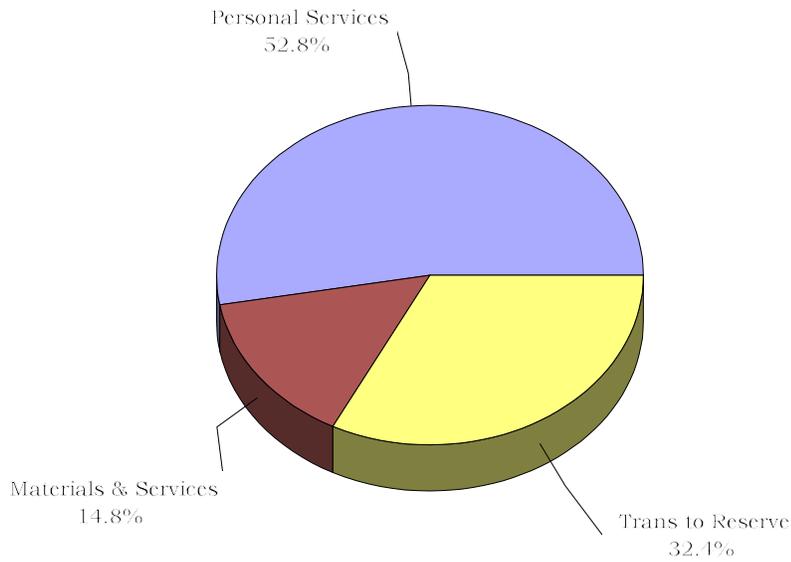
03 GENERAL FUND
8890 UNAPPROPRIATED BALANCE

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Unappropriated Balance			25,000	25,000	25,000	25,000
Grand Total General	8,046,305	6,558,436	7,115,490	7,389,960	7,317,960	7,317,960

STATE STREET TAX FUND

This is the location where all gasoline tax revenues are required by Oregon Statute to be placed to provide a guarantee that all such revenues will be utilized for street and roadway repair, maintenance, and improvement. This fund is exclusively supported from the gasoline tax and a general fund subsidy if necessary. The expenditures accounted in the fund are the manpower, equipment, materials, and contracted services necessary to maintain and improve the roadway surfaces and storm drainage system of the city.

2011-12 Street Expenditures



City of Hermiston
Resources

STATE TAX STREET

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
State Highway Allocation	615,026	667,479	650,000	670,000	670,000	670,000
STP Allocation				175,000	175,000	175,000
Transfer Fm General Fund	409,961			56,070	56,070	56,070
Cash Forward						
<u>Total</u>	1,024,987	667,479	650,000	901,070	901,070	901,070

STATE TAX STREET EXPENDITURES
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	610,019	514,906	490,735	475,945	475,945	475,945
Materials & Services	210,968	124,457	133,500	133,425	133,425	133,425
Capital Outlay						
Transfer to Reserve	204,000	6,750	25,765	291,700	291,700	291,700
Total	1,024,987	646,113	650,000	901,070	901,070	901,070

MISSION STATEMENT: To protect, maintain and improve the largest single asset owned by the residents of our community; The asphalt, curbs, gutters, storm drains and buildings of our community, and to supply support in the form of manpower and equipment to other departments and community events.

DEPARTMENT VISION: In support of, and to foster the general vision of the overall city, We, the members of the Street Department, continuously strive to maintain the highest standards of professionalism in our daily operations and programs. Our mission is achieved through continuously improved performance, supported by a consistent system of effective communications. A committed workforce initiates partnerships and strategic alliances to collaborate delivery of the highest quality of service possible. Our performance consistently earns the trust and confidence of the public. We will endeavor to provide the city manager and our elected officials with an on-going level of service and information which will be supportive of the department's need to retain a qualified workforce equipped with the information, technology, and physical resources necessary to meet our mission.

DEPARTMENT DESCRIPTION: This is the location where all gasoline tax revenues are required by Oregon Statute to be placed, to provide a guarantee that all such revenues will be utilized for street and roadway repair, maintenance and improvement. The street department is also financially supported by a general fund subsidy if necessary. Without this subsidy the street department would not be the diverse department we are.

DEPARTMENT GOALS: The city wide goals of enhanced livability and economic development directly affect the operations of this department as proposed. The objectives for the department for the next year include:

- ◆ Daily street sweeping with concentration on arterial and collector roadways.
- ◆ Roadway repair of identified problems as materials are available.
- ◆ Provide equipment maintenance and repair at a high level.
- ◆ Provide support for community events in the form of manpower and equipment.
- ◆ Respond to problems with available manpower, recognizing roadway, building repair and maintenance is a higher priority.
- ◆ Provide annual grading and repair of gravel roadways.
- ◆ Continue with the current crack sealing and resurfacing programs.
- ◆ Provide pavement striping and marking, street sign installation and repair.
- ◆ Clean, repair and replace storm water catch basins, distribution boxes, piping and dry wells.

Leadership Philosophy: Consultative/Participative

Individual Behavioral Values: Staff is our greatest asset; Clear, open, honest and respectful communication; Respect for individuals and city property; professionalism and quality of service; A safe and healthy work environment; People's ability to grow and change and community interaction

Operating Systems Values: Helpful and supportive workplace (all departments and work units); Professional and personal growth for all (Education); Safe and productive workplace and progressive and cutting edge approach.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Street Superintendent	1	1	1	1	1	1
Street Maintenance Foreman	1	1	0	0	0	0
Permit Technician II	1/3	1/3	1/3	1/3	1/3	1/3
Mechanic/Municipal Service Worker	1	1	1	1	1	1
Municipal Worker II	2	2	2	2	2	2
Municipal Worker I	1	1	1	1	1	1

City of Hermiston
Detailed Expenditures

04
6250 STATE TAX STREET

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	388,177	311,119	286,200	290,495	290,495	290,495
Overtime	100		2,000	2,000	2,000	2,000
Unemployment Insurance		2,056	2,020	2,050	2,050	2,050
Accident Insurance	25,924	19,244	16,750	20,330	20,330	20,330
Retirement	63,926	39,993	58,505	64,410	64,410	64,410
Social Security	29,050	22,917	22,050	22,380	22,380	22,380
Medical, Dental & Life Ins	102,842	119,577	103,210	74,280	74,280	74,280
Personal Services	610,019	514,906	490,735	475,945	475,945	475,945
Travel & Training	2,879	1,666	850	850	850	850
Property & Liability Ins	11,075	10,725	9,900	9,900	9,900	9,900
Electricity	31,320	11,852	12,000	12,500	12,500	12,500
Telephone	3,813	2,696	2,000	2,200	2,200	2,200
Street Lights	98,313	39,825	40,000	41,000	41,000	41,000
Repairs-Operating Equip		52	500	200	200	200
Laundry/Other Sanitation	2,279	1,035	1,700	1,500	1,500	1,500
Miscellaneous Contractual	13,385	14,548	14,000	14,000	14,000	14,000
Licenses & Permits						
Contractual Services	163,064	82,399	80,950	82,150	82,150	82,150
Office Supplies	389	704	550	750	750	750
Chemicals	891	836	1,750	1,500	1,500	1,500
Clean/Sanitation Supplies	60	127	225	200	200	200
Food & Miscellaneous	244	206	225	225	225	225
Fuel-Other Than Vehicle	7,502	5,007	7,200	6,900	6,900	6,900
Minor/Safety Equipment	5,649	3,549	7,400	6,000	6,000	6,000
Motor Vehicle Fuel & Oil	19,395	17,863	21,000	22,000	22,000	22,000
Motor Vehicle Parts	3,885	1,160	2,500	2,500	2,500	2,500
Plmb/Sewage Supplies	51	39	400	200	200	200
Structural Steel & Iron		199	300			
Parts For Operating Equip	9,838	12,368	11,000	11,000	11,000	11,000
Commodities	47,904	42,058	52,550	51,275	51,275	51,275
Res-Equipment	49,365			110,000	110,000	110,000
Res-Street Construction	104,635					
Res-Bicycle Trails		6,750	12,650	6,700	6,700	6,700
Res-Street Maintenance	50,000		13,115	175,000	175,000	175,000
Capital Outlay	204,000	6,750	25,765	291,700	291,700	291,700
State Tax Street	1,024,987	646,113	650,000	901,070	901,070	901,070

TRANSIENT ROOM TAX EXPENDITURES
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services			16,685	16,590	16,590	16,590
Materials & Services	54,902	30,615	40,815	60,910	60,910	60,910
Capital Outlay						
Transfer to Reserve			50,000			
Total	54,902	30,615	107,500	77,500	77,500	77,500

In accordance with Section 112 of the Hermiston Code of Ordinances, five-eighths of the transient room taxes remitted to the city, less 5% retained by the operator, shall be distributed as follows:

- (a) 45% to improve, maintain and operate the Hermiston Conference Center;
- (b) 15% for recreation and recreation-related programs and activities and park improvements administered by the advisory committee;
- (c) 25% to offset costs of programs such as the economic, community and other developmental activities and similar programs funded from the general fund; and
- (d) 15% for city parks and recreation development administered by the Parks and Recreation Committee. The proceeds of the tax for parks and recreation development shall accumulate in a reserve account and may not be diverted or utilized in any other manner.

Three-eighths of the taxes remitted to the city, less 5% retained by the operator, shall be distributed to offset the cost of constructing a community outdoor swimming pool, including the retirement of any bonds issued for its construction.

A portion of the Assistant City Manager's salary was re-apportioned to this fund to reflect the work done in economic and other developmental activities.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Assistant City Manager	0	0	1/4	1/4	1/4	1/4

City of Hermiston
Resources

TRANSIENT ROOM TAX

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Service Charges						
Transient Room Tax	53,028	56,737	47,500	47,500	47,500	47,500
UEC Econ Dev Participation		20,000	10,000	5,000	5,000	5,000
Service Charges	53,028	76,737	57,500	52,500	52,500	52,500
Cash Forward	48,950	47,074	50,000	25,000	25,000	25,000
	48,950	47,074	50,000	25,000	25,000	25,000
Transient Room Tax	101,978	123,811	107,500	77,500	77,500	77,500

City of Hermiston
Detailed Expenditures

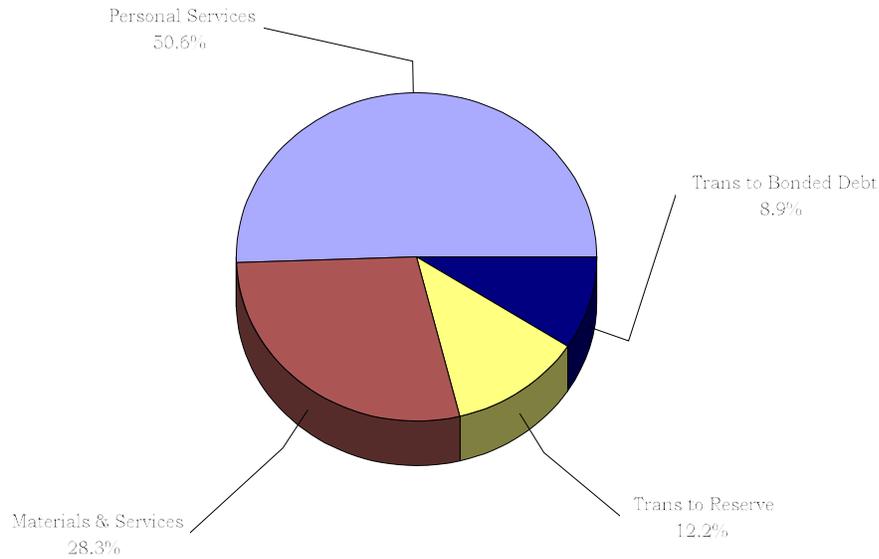
05
8810 TRANSIENT ROOM TAX

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services			12,240	12,425	12,425	12,425
Unemployment Insurance			90	90	90	90
Accident Insurance			30	35	35	35
Social Security			940	950	950	950
Medical, Dental & Life Ins			3,385	3,090	3,090	3,090
Personal Services			16,685	16,590	16,590	16,590
Miscellaneous Contractual	54,902	30,615	90,815	60,910	60,910	60,910
Contractual Services	54,902	30,615	90,815	60,910	60,910	60,910
Transient Room Tax	54,902	30,615	107,500	77,500	77,500	77,500

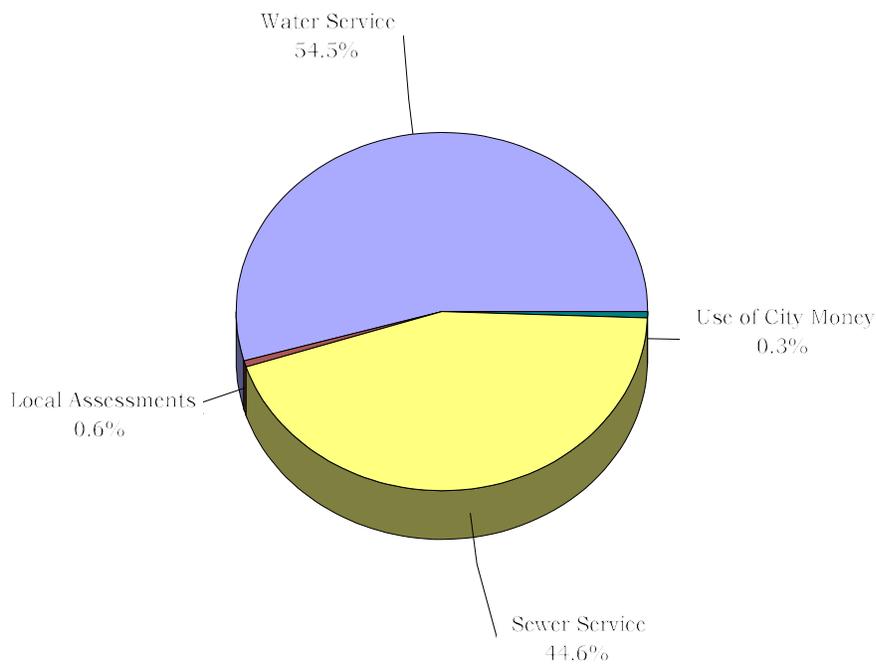
UTILITY FUND

This is an enterprise fund financed from user fees for water and wastewater use and the connection charges to the system. The expenditure responsibilities of this fund include all necessary personnel, equipment, materials and contracted services necessary to maintain and improve the water and wastewater systems of the city. The enterprise funds are also responsible for the necessary transfers to the debt fund to carry the bonded debt and notes of the systems.

2011-12 Utility Expenditures



2011-12 Utility Resources



City of Hermiston
Resources

UTILITY

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Other Local Assessments						
Assessments Receivable	24,883	23,356	13,000	20,000	20,000	20,000
Local Assessments	24,883	23,356	13,000	20,000	20,000	20,000
Use of City Money						
Interest on Investments	35,775	13,892	13,000	12,000	12,000	12,000
Use of City Money	35,775	13,892	13,000	12,000	12,000	12,000
Sewer Service						
Sewer Sales	1,511,889	1,652,963	1,450,000	1,600,000	1,600,000	1,600,000
Sewer Connection & Svc	9,500	15,980	6,000	6,000	6,000	6,000
Septic Tank Service	42,796	33,105	30,000	25,000	25,000	25,000
Misc Sewer Income	115	100				
Sewer Service	1,564,300	1,702,148	1,486,000	1,631,000	1,631,000	1,631,000
Water Service						
Account Set-up Fee		13,470	10,000	8,000	8,000	8,000
Water Sales	1,930,215	2,112,196	1,875,000	1,950,000	1,950,000	1,950,000
Water Connection & Svc	50,121	75,045	35,000	35,000	35,000	35,000
Misc Water Income	14,415	3,645	4,000	3,000	3,000	3,000
Water Service	1,994,751	2,204,356	1,924,000	1,996,000	1,996,000	1,996,000
Cash Forward	16,000		28,000			
	16,000		28,000			
Utility	3,635,709	3,943,752	3,464,000	3,659,000	3,659,000	3,659,000

CONSOLIDATED UTILITY EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
6-6310 Sewer Services	1,574,595	1,579,353	1,796,285	1,555,170	1,555,170	1,555,170
6-6320 Water Services	1,660,485	1,440,591	1,667,715	2,103,830	2,103,830	2,103,830
Total	3,235,080	3,019,944	3,464,000	3,659,000	3,659,000	3,659,000

UTILITY EXPENDITURES
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	1,786,207	1,722,909	1,721,155	1,851,540	1,746,755	1,746,755
Materials & Services	1,096,824	848,031	1,083,660	1,029,310	1,134,095	1,134,095
Capital Outlay						
Transfer:						
Reserve		112,316	336,015	452,295	452,295	452,295
Bonded Debt	352,049	336,688	323,170	325,855	325,855	325,855
Total	3,235,080	3,019,944	3,464,000	3,659,000	3,659,000	3,659,000

MISSION STATEMENT: To operate the City wastewater treatment plant and collection system. Providing the most efficient treatment of the City’s wastewater in a professional, safe, cost effective and courteous manner.

The objectives of the wastewater department are to provide quality wastewater operation and disposable by-products exceeding regulatory requirements, also to operate the collection and treatment facilities in a cost effective and efficient manner.

The wastewater department is responsible for the operation and maintenance of approximately seventy miles of sanitary sewer lines, eight pump stations, three storm water pump stations and the wastewater treatment plant.

On February 3rd the wastewater treatment plant turned 30 years old.

Listed below are some of the objectives and completed projects of the wastewater department:

- ◆ We will concentrate on maintaining an OSHA compliant work place.
- ◆ We will continue to work toward the High Performance Organization Vision/Values.
- ◆ We will continue our routine preventive maintenance on the wastewater treatment plant, sanitary and storm water collections systems. This reduces the number of problems a system of this age can expect to have.
- ◆ During the 10/11 budget year we worked closely with our consulting engineer’s, negotiating with DEQ for a modification of our NPDES permit. We hoped to get the Recycled Water Plant out to bid so the construction portion could begin.
- ◆ We will continue to work closely with our consulting engineer’s as we continue to move forward with our upgrade projects.
- ◆ Again we may need to negotiate with DEQ for more modifications to our permit. With the funding difficulties , the new construction may not get out to bid until sometime in 2012. This would cause us to need another extension to our permit.

This budget includes the costs of operation for the wastewater treatment plant, collection system, laboratory, biosolids disposal and all associated costs for wastewater related activities.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Wastewater Superintendent	1	1	1	1	1	1
City Manager	2/5	2/5	2/5	2/5	2/5	2/5
Finance Director/Recorder	1/5	1/5	1/5	1/5	1/5	1/5
Senior General Clerical	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Utility Clerk/Cashier	1	1	1	1	1	1
Wastewater Lab Technician	1	1	1	1	1	1
Wastewater Chief Operator	1	1	1	1	1	1
Wastewater Worker III	2	2	0	0	0	0
Wastewater Worker II	2	2	2	2	2	2
Wastewater Worker I	1	1	3	3	3	3

City of Hermiston
Detailed Expenditures

06 UTILITY
6310 DISPOSAL PLANT MAINTENANCE

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	656,774	627,647	550,940	555,890	555,890	555,890
Overtime	22,031	19,530	19,000	19,000	19,000	19,000
Unemployment Insurance		4,018	3,990	4,025	4,025	4,025
Accident Insurance	18,276	16,299	9,630	13,860	13,860	13,860
Retirement	108,602	76,858	115,700	126,590	126,590	126,590
Social Security	50,518	48,104	43,600	43,980	43,980	43,980
Medical, Dental & Life Ins	153,872	155,421	155,910	138,035	138,035	138,035
Personal Services	1,010,073	947,877	898,770	901,380	901,380	901,380
Accounting & Auditing	7,373	6,055	8,100	8,100	8,100	8,100
Other Professional Service	38,698	25,070	28,650	28,650	28,650	28,650
Postage	12,183	12,892	12,400	12,600	12,600	12,600
Travel & Training	2,885	4,583	4,500	4,500	4,500	4,500
Property & Liability Ins	30,628	30,933	28,000	28,000	28,000	28,000
Electricity	107,246	82,921	112,000	80,000	80,000	80,000
Telephone	9,961	8,748	8,500	8,500	8,500	8,500
Repairs-Mach & Equip	10,166	12,763	16,500	10,500	10,500	10,500
Repairs-Motor Vehicles	387	59	100			
Repairs-Office Equipment	7,628	3,331	7,000	4,000	4,000	4,000
Dues & Membership	1,067	1,546	1,100	1,100	1,100	1,100
Laundry/Other Sanitation	2,343	1,495	1,600	1,600	1,600	1,600
Miscellaneous Contractual	29,774	35,829	50,000	50,000	50,000	50,000
Licenses & Permits	14,351	15,053	14,610	14,610	14,610	14,610
Operating Contractual Svc			5,000			
Contractual Services	274,690	241,278	298,060	252,160	252,160	252,160
Office Supplies	6,473	8,501	7,000	6,850	6,850	6,850
Chemicals	71,138	67,179	70,000	88,000	88,000	88,000
Clean/Sanitation Supplies	1,039	593	750	750	750	750
Concrete Supplies	228		50	50	50	50
Food & Miscellaneous	137	271	250	300	300	300
Fuel-Other Than Vehicle	9,740	4,212	4,000	4,200	4,200	4,200
Lube-Other Than Vehicle	373	475	1,000	500	500	500
Medical & Lab Supplies	7,273	8,302	8,000	9,500	9,500	9,500
Minor/Safety Equipment	4,764	6,082	7,000	7,000	7,000	7,000
Motor Vehicle Fuel & Oil	7,904	7,509	8,400	9,250	9,250	9,250
Motor Vehicle Parts	1,161	2,403	1,100	1,400	1,400	1,400
Paint & Paint Supplies	240	217	250	300	300	300
Plmb & Sewage Supplies	932	529	500	500	500	500
Parts For Operating Equip	23,092	17,644	12,500	18,000	18,000	18,000
Commodities	134,494	123,917	120,800	146,600	146,600	146,600
Res-Equipment			15,000	7,000	7,000	7,000
Res-Office Equipment		3,500	4,000	2,000	2,000	2,000
Res-WWT Plant Improv		105,316	303,015	88,045	88,045	88,045
Transfer-Bonded Debt	15,533	157,465	156,640	157,985	157,985	157,985
Capital Outlay	15,533	266,281	478,655	255,030	255,030	255,030
Disposal Plant Maint	1,434,790	1,579,353	1,796,285	1,555,170	1,555,170	1,555,170

MISSION STATEMENT: To provide a continuous supply of potable drinking water for domestic, commercial and industrial use, as well as water for fire protection, in a safe, efficient and courteous manner.

The water budget contains all costs for producing, distributing and billing for the water consumed in our community. The primary goals of the water department is assurance of a safe water supply, storage and distribution system.

This year should be an interesting year with Joseph booster station construction, Well 5 improvements and the replacement of the Regional SCADA System. These will definitely impact our daily operations and tax our personnel, but we are really looking forward to their completion as it will enhance our system and operations. Here are some of our goals this year:

- ◆ Carry on operations with a High Performance attitude and direction.
- ◆ Continue to operate while conforming to OR-OSHA, Oregon Health & EPA regulations.
- ◆ Regional SCADA Control System replacement, this was initiated last fiscal. With expectations to finish this year.
- ◆ Research efforts to improve the overall functionality and efficiency of our water valve exercising program.
- ◆ Improvements to our Fire Hydrant flushing and maintenance program.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Water Superintendent	1	1	1	1	1	1
City Manager	2/5	2/5	2/5	2/5	2/5	2/5
Finance Director/Recorder	1/5	1/5	1/5	1/5	1/5	1/5
Permit Technician II	1/3	1/3	1/3	1/3	1/3	1/3
Senior General Clerical	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Water Utility Worker II	3	3	3	3	3	3
Water Utility Worker I	1	2	2	2	2	2
Meter Reader/Gen Clerical	2	1	1	1	1	1

City of Hermiston
Detailed Expenditures

06 UTILITY
6320 WATER PRODUCTION/MAINTENANCE

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	487,263	477,753	478,460	503,270	503,270	503,270
Overtime	23,264	24,476	20,000	20,000	20,000	20,000
Unemployment Insurance		3,222	3,490	3,665	3,665	3,665
Accident Insurance	17,428	14,931	13,370	155,540	15,320	15,320
Retirement	80,598	61,334	101,190	115,225	115,225	115,225
Social Security	38,043	37,486	38,135	4,030	39,465	39,465
Medical, Dental & Life Ins	129,538	155,830	167,740	148,430	148,430	148,430
Personal Services	776,134	775,032	822,385	950,160	845,375	845,375
Accounting & Auditing	7,373	8,055	8,100	8,100	8,100	8,100
Other Professional Service	111,849	32,723	75,000	55,000	55,000	55,000
Water Samples	31,329	9,896	11,500	10,000	10,000	10,000
Postage	12,510	13,671	14,000	13,900	13,900	13,900
Travel & Training	3,778	3,939	4,500	4,500	4,500	4,500
Property & Liability Ins	25,060	25,574	22,000	22,500	22,500	22,500
Electricity	216,241	209,582	243,000	243,000	243,000	243,000
Telephone	3,713	3,211	2,900	2,900	2,900	2,900
Regional Water	104,429	35,460	70,000	70,000	70,000	70,000
Repairs-Mach & Equip			22,200	200	200	200
Repairs-Motor Vehicles	1,021	1,494	1,500	1,500	1,500	1,500
Repairs-Operating Equip	595	52	2,500	2,500	2,500	2,500
Repairs-Office Equipment	7,577	3,331	8,000	4,000	4,000	4,000
Equip Rent Allowance	36	264	450	300	300	300
Dues & Membership	710	675	725	725	725	725
Miscellaneous Contractual	64,795	36,601	60,000	80,000	80,000	80,000
Operating Contractual Svc			5,000		104,785	104,785
Contractual Services	591,016	384,528	551,375	519,125	623,910	623,910
Office Supplies	6,690	5,604	7,000	6,500	6,500	6,500
Chemicals	16,244	17,094	18,000	19,000	19,000	19,000
Clean/Sanitation Supplies	221	126	150	150	150	150
Concrete Supplies	323	366	750	650	650	650
Food & Miscellaneous	705	437	375	450	450	450
Fuel-Other Than Vehicle	705	687	700	700	700	700
Lube-Other Than Vehicle	626	499	700	600	600	600
Minor/Safety Equipment	5,995	4,045	6,500	5,750	5,750	5,750
Motor Vehicle Fuel & Oil	11,670	11,771	13,250	14,750	14,750	14,750
Motor Vehicle Parts	1,726	2,206	1,500	1,500	1,500	1,500
Paint & Paint Supplies	271	88	500	375	375	375
Plmb & Sewage Supplies	34,916	48,178	53,000	50,000	50,000	50,000
Parts For Operating Equip	16,532	7,207	11,000	11,000	11,000	11,000
Commodities	96,624	98,308	113,425	111,425	111,425	111,425
Res-Equipment			10,000	5,000	5,000	5,000
Res-Office Equipment		3,500	4,000	2,000	2,000	2,000
Res-Utility Construction				348,250	348,250	348,250
Transfer-Bonded Debt	196,711	179,223	166,530	167,870	167,870	167,870
Capital Outlay	196,711	182,723	180,530	523,120	523,120	523,120
Water Production/Maint	1,660,485	1,440,591	1,667,715	2,103,830	2,103,830	2,103,830
Grand Total Utility	3,235,081	3,019,943	3,464,000	3,659,000	3,659,000	3,659,000

911 COMMUNICATIONS
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	649,420	602,965	647,375	663,015	663,015	663,015
Materials & Services	41,418	41,943	42,650	43,100	43,100	43,100
Capital Outlay	700	800	800	750	750	750
Transfer to Reserve						
Total	691,538	645,708	690,825	706,865	706,865	706,865

MISSION STATEMENT: The Hermiston Communications Center provides quality emergency communications for the City of Hermiston Police, Hermiston Fire and Emergency Services, Stanfield Fire, Stanfield Quick Response and the surrounding area. This Public Safety Answering Point (PSAP) as designated by the State, fields all 911 emergency phone requests, as well as normal calls for service.

The Communications Center also provides for the recording and reporting of all police activity, and the official tracking of statistical data as required by the state and federal government. Release of reports to individuals is also conducted by this work group. We process case reports for the District Attorney’s Office using Digital Discovery. This is a paperless system that delivers color copies in a timely manner.

The Hermiston Dispatch Center utilizes a mobile records /LEDS (Law Enforcement Data System) along with increased technological capacities in several other areas. We have the ability to access reports, booking photos, and other data entry functions using laptop computers in the patrol vehicles. The platform that this is conducted upon is a WIFI system, which incorporates the enhancements of patrol vehicles as hot spots.

The Hermiston Dispatch Center operates on a 450 MHz radio system and established redundancy by completing a loop with a microwave installment. The Communications Center has three radio consoles and a fourth console in the emergency operations center located at the fire building at the public safety center. In a clean and sterile environment located in a room above the dispatch center houses all of the electrical, fiber-optic, telephone, 911 Vesta Pallas, and communications equipment. Last year we added a digital voice recorder from Higherground to capture all 911 calls, radio traffic and business phone lines. We also house the camera server and the VTOC server for the drop arm barricades and reader boards for the bi-county CSEPP emergency evacuation route.

By utilizing today’s technology we are better equipped to respond to the needs of the community along with focusing on customer service as we strive to become a high performance organization.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Administrative Lieutenant	0	0	1/2	1/2	1/2	1/2
Administrative Sergeant	1/2	1/2	0	0	0	0
Dispatcher/Clerk	8	8	7	7	7	7
Data Entry Clerk	1	1	1	1	1	1

City of Hermiston
Resources

911 COMMUNICATIONS

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
911 Communications Tax	138,995	122,544	110,000	110,000	110,000	110,000
Transfer Fm General Fund	552,543	523,164	580,825	596,865	596,865	596,865
<u>Total</u>	691,538	645,708	690,825	706,865	706,865	706,865

City of Hermiston
Detailed Expenditures

09
7170 911 COMMUNICATIONS

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	423,410	389,166	386,410	395,660	395,660	395,660
Overtime	2,681	3,668	11,000	9,000	9,000	9,000
Unemployment Insurance		2,680	2,835	2,835	2,835	2,835
Accident Insurance	2,419	1,616	2,680	2,185	2,185	2,185
Retirement	69,918	49,797	82,095	89,110	89,110	89,110
Social Security	31,581	29,022	30,940	30,960	30,960	30,960
Medical, Dental & Life Ins	119,411	127,016	131,415	133,265	133,265	133,265
Personal Services	649,420	602,965	647,375	663,015	663,015	663,015
Travel & Training	3,890	2,658	2,500	2,500	2,500	2,500
Telephone	15,020	10,880	12,500	12,500	12,500	12,500
Repairs-Machinery & Equip			150	150	150	150
Repairs-Office Equipment	21,967	27,490	26,500	27,000	27,000	27,000
Contractual Services	40,877	41,028	41,650	42,150	42,150	42,150
Uniforms	541	915	1,000	950	950	950
Commodities	541	915	1,000	950	950	950
Other Equipment	700	800	800	750	750	750
Capital Outlay	700	800	800	750	750	750
911 Communications	691,538	645,708	690,825	706,865	706,865	706,865

CONSOLIDATED REGIONAL WATER EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
15-6320 Non-Potable Water	91,810	88,612	87,060	85,320	85,320	85,320
15-6330 Potable Water	132,847	122,780	120,935	118,245	118,245	118,245
15-6335 River Intake	178,125	175,514	235,980	235,010	235,010	235,010
15-8810 Audit & Others	42,545	62,152	71,025	143,325	143,325	143,325
Total	445,327	449,058	515,000	581,900	581,900	581,900

REGIONAL WATER EXPENDITURES

by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	153,289	155,995	144,150	142,900	142,900	142,900
Materials & Services	292,038	293,063	358,800	389,000	389,000	389,000
Capital Outlay			12,050	50,000	50,000	50,000
Transfer to Reserve						
Total	445,327	449,058	515,000	581,900	581,900	581,900

MISSION STATEMENT: To provide a continuous supply of industrial water and potable drinking water for domestic, commercial and industrial use, as well as water for fire protection, in a safe, efficient and courteous manner.

The regional water budget contains all costs for producing, distributing and billing for the water consumed in the community and by three industrial users. The primary goals of the regional water system center around the assurance of water supply, treatment and distribution to the community and key industries to insure economic stability.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Water Chief Operator	0	1	1	1	1	1
Water Utility Worker IV	1	0	0	0	0	0

City of Hermiston
Resources

REGIONAL WATER

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Water Revenue						
Potable Water	152,355	108,207	90,000	105,000	105,000	105,000
Non-Potable Water	472,115	523,857	425,000	390,000	390,000	390,000
Water Revenues	624,470	632,064	515,000	495,000	495,000	495,000
Non-Revenue Receipts						
Reimburse Direct Expense		4,698				
Non-Revenue Receipts		4,698				
Cash Forward	143,120	565,785	565,785	86,900	86,900	86,900
	143,120	565,785		86,900	86,900	86,900
Regional Water	767,590	1,202,547	515,000	581,900	581,900	581,900

City of Hermiston
Detailed Expenditures

15 REGIONAL WATER
6320 NON-POTABLE WATER

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	33,974	28,479	19,475	19,770	19,770	19,770
Overtime	3,792	5,222	5,850	5,850	5,850	5,850
Unemployment Insurance		163	195	140	140	140
Accident Insurance	1,165	978	1,020	1,125	1,125	1,125
Retirement	6,215	4,373	5,580	6,120	6,120	6,120
Social Security	2,771	2,337	2,105	2,125	2,125	2,125
Medical, Dental & Life Ins	7,234	7,792	6,860	5,565	5,565	5,565
Personal Services	55,151	49,344	41,085	40,695	40,695	40,695
Other Professional Service			1,500	750	750	750
Water Samples	113					
Electricity	34,747	37,783	37,000	40,000	40,000	40,000
Miscellaneous Contractual	225	1,027	4,000	1,500	1,500	1,500
Contractual Services	35,085	38,810	42,500	42,250	42,250	42,250
Fuel-Other Than Vehicle	287	274	275	275	275	275
Minor/Safety Equipment	158					
Plmb & Sewage Supplies	239	5	200	100	100	100
Parts For Operating Equip	890	179	3,000	2,000	2,000	2,000
Commodities	1,574	458	3,475	2,375	2,375	2,375
Non-Potable Water	91,810	88,612	87,060	85,320	85,320	85,320

City of Hermiston
Detailed Expenditures

15 REGIONAL WATER
6330 POTABLE WATER

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	36,473	36,564	19,475	19,770	19,770	19,770
Overtime	4,401	5,462	5,850	5,850	5,850	5,850
Unemployment Insurance		244	195	140	140	140
Accident Insurance	1,295	1,312	1,020	1,125	1,125	1,125
Retirement	6,726	5,458	5,580	6,120	6,120	6,120
Social Security	2,984	2,936	2,105	2,125	2,125	2,125
Medical, Dental & Life Ins	7,973	10,890	6,860	5,565	5,565	5,565
Personal Services	59,852	62,866	41,085	40,695	40,695	40,695
Other Professional Service			500	200	200	200
Water Samples	16,984	7,802	10,000	8,000	8,000	8,000
Electricity	40,583	37,853	47,000	47,000	47,000	47,000
Miscellaneous Contractual	4,923	7,388	7,500	7,500	7,500	7,500
Contractual Services	62,490	53,043	65,000	62,700	62,700	62,700
Chemicals	8,958	4,155	9,000	9,000	9,000	9,000
Medical & Lab Supplies	606	344	400	400	400	400
Minor/Safety Equipment	793		300	300	300	300
Plmb & Sewage Supplies			150	150	150	150
Parts For Operating Equip	148	2,372	5,000	5,000	5,000	5,000
Commodities	10,505	6,871	14,850	14,850	14,850	14,850
Potable Water	132,847	122,780	120,935	118,245	118,245	118,245

City of Hermiston
Detailed Expenditures

15 REGIONAL WATER
6335 RIVER INTAKE STATION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	11,334	10,625	25,970	26,360	26,360	26,360
Overtime	14,961	17,749	15,000	15,000	15,000	15,000
Unemployment Insurance		210	260	185	185	185
Accident Insurance	998	917	1,360	1,550	1,550	1,550
Retirement	4,327	3,702	7,440	8,160	8,160	8,160
Social Security	1,902	2,056	2,805	2,835	2,835	2,835
Medical, Dental & Life Ins	4,764	8,526	9,145	7,420	7,420	7,420
Personal Services	38,286	43,785	61,980	61,510	61,510	61,510
Other Professional Service			500	200	200	200
Water Samples	665					
Electricity	127,957	131,273	145,000	155,000	155,000	155,000
Miscellaneous Contractual	5,806	96	25,000	15,000	15,000	15,000
Contractual Services	134,428	131,369	170,500	170,200	170,200	170,200
Minor/Safety Equip	330	45	350	200	200	200
Plmb & Sewage Supplies			150	100	100	100
Parts For Operating Equip	5,081	315	3,000	3,000	3,000	3,000
Commodities	5,411	360	3,500	3,300	3,300	3,300
River Intake Station	178,125	175,514	235,980	235,010	235,010	235,010

City of Hermiston
Detailed Expenditures

15 REGIONAL WATER
8810 AUDIT & OTHERS

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Accounting & Auditing	1,720	1,880	2,000	2,000	2,000	2,000
Other Professional Service	7,075	932	10,000	8,000	8,000	8,000
Postage		39	50	50	50	50
Travel & Training	2,472	3,749	2,500	2,500	2,500	2,500
Property & Liability Ins	7,182	7,320	7,000	7,000	7,000	7,000
Telephone	3,028	2,793	3,000	3,000	3,000	3,000
Miscellaneous Contractual	12,834	37,081	25,000	60,000	60,000	60,000
Contractual Services	34,311	53,794	49,550	82,550	82,550	82,550
Office Supplies	1,766	949	2,000	2,000	2,000	2,000
Clean/Sanitation Supplies			50	50	50	50
Lube-Other Than Vehicle			75	75	75	75
Minor/Safety Equipment	2,351	3,032	3,500	3,500	3,500	3,500
Motor Vehicle Fuel & Oil	1,549	1,224	2,500	2,750	2,750	2,750
Motor Vehicle Parts	638	2,597	600	1,000	1,000	1,000
Parts For Operating Equip	1,930	556	700	1,400	1,400	1,400
Commodities	8,234	8,358	9,425	10,775	10,775	10,775
Res-Repair & Replacement			12,050	50,000	50,000	50,000
Capital Outlay			12,050	50,000	50,000	50,000
Audit & Others	42,545	62,152	71,025	143,325	143,325	143,325
Grand Total Regional	445,326	449,058	515,000	581,900	581,900	581,900

REVOLVING LOAN FUND
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services						
Materials & Services	1,237,500	1,000,386	837,500	100,000	100,000	100,000
Capital Outlay						
<u>Total</u>	1,237,500	1,000,386	837,500	100,000	100,000	100,000

This loan fund is used to account for various grants and other funding to assist small and medium size commercial and retail businesses, low income to moderate income individuals for housing rehabilitation projects.

The current revolving loan fund represents three Oregon Community Development Block Grants:

- ◆ The Business Revolving Loan fund totaling \$837,500 which consists of a City General Fund match of \$87,500 and a CBDG grant of \$750,000. These funds are intended to assist small to medium size commercial and retail businesses in job creation for under skilled or untrained workforce. As these funds are repaid by the borrower they become available to again be loaned for further business opportunity. Funds may be used for capital or operating needs.
- ◆ The Housing Rehabilitation Loan Fund I was funded in 2007-08 for \$400,000. This Oregon Community Development Block Grant is intended to be loaned to low income to moderate income individuals for housing rehabilitation projects to privately owned residences. As these loans are repaid the funds will become available to re-loan. Grant funds were fully expended Fiscal Year 2009-10.
- ◆ The Housing Rehabilitation Loan Fund II was also funded in 2007-08 for \$400,000. This Oregon Community Development Block Grant is also intended to be loaned to low income to moderate income individuals for housing rehabilitation projects to privately owned residences. As these loans are repaid the funds will become available to re-loan. These grant funds were also fully expended in Fiscal Year 2009-10.

City of Hermiston
Resources

REVOLVING LOAN

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
From Other Agencies						
Business Incentive Grant		689,300				
Housing Rehabilitation	297,719	248,463				
From Other Agencies	297,719	937,763				
Miscellaneous Revenues						
Transfer Fm General Fund				100,000	100,000	100,000
Miscellaneous Revenues				100,000	100,000	100,000
Cash Forward	122,405	111,050	837,500			
	122,405	111,050	837,500			
Revolving Loan	420,124	1,048,813	837,500	100,000	100,000	100,000

City of Hermiston
Detailed Expenditures

14
6320 REVOLVING LOAN

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Business Incentive Project	25,500	727,100	837,500	100,000	100,000	100,000
Housing Rehabilitation	283,571	273,286				
	309,071	1,000,386	837,500	100,000	100,000	100,000
Revolving Loan	309,071	1,000,386	837,500	100,000	100,000	100,000

HERMISTON ENERGY SERVICES

by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	220,263	217,425	236,100	240,730	240,730	240,730
Materials & Services	5,341,351	5,582,387	6,049,670	6,200,250	6,200,250	6,200,250
Capital Outlay	438,757	364,604	400,000	126,875	126,875	126,875
Transfer to Reserve	100,000	645	38,240			
Transfer to Bonded Debt	716,104	730,995	745,090	758,340	758,340	758,340
Total	6,816,475	6,896,056	7,469,100	7,326,195	7,326,195	7,326,195

MISSION STATEMENT: To provide the citizen-owners of Hermiston Energy Services with safe and reliable electric service at comparable and affordable prices.

HES has entered into a management, operations and maintenance agreement with Umatilla Electric Cooperative for a fixed fee with oversight by HES's Electric Utility Superintendent. The contract is for a period of 15 years starting July 1, 2002 with a cost adjustment clause determined by the CPI increase during each 5 year period, the first adjustment being a 13.834% increase beginning at the start of our 2007-08 Fiscal Year.

As a municipal owned electric utility, HES has access to federal power under a 20 year contract with the Bonneville Power Administration that expires September, 2028. The new contract requires us to purchase non-federal power above our high water mark starting October 1, 2011. This power will be at a much higher rate but we expect the impact will be minimal the first few years. For the next two year rate period starting October 1, 2011 BPA is contemplating a rate increase of 10.5% which is included in the budget.

The 2010 operating year resulted in a dramatic drop of 5.8% in revenue and usage and there was still enough in savings to bring our reserves and cash to \$5,729,000 which provides an equity of 45%. Since 40% equity is considered an optimum for electric utilities we plan on keeping our rates stable until such time as deficits drop our equity below the 40% level.

PERSONNEL DISTRIBUTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Electrical Service Supt	1	1	1	1	1	1
City Manager	1/5	1/5	1/5	1/5	1/5	1/5
Finance Director/Recorder	1/5	1/5	1/5	1/5	1/5	1/5
Customer Service Rep	1	1	1	1	1	1

City of Hermiston
Resources

HERMISTON ENERGY SERVICES

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Use of City Money						
Interest on Investments	20,098	4,822	6,500	9,000	9,000	9,000
Use of City Money	20,098	4,822	6,500	9,000	9,000	9,000
Non-Revenue Receipts						
Reimburse Direct Expense	96,995	46,860				
Non-Revenue Receipts	96,995	46,860				
Miscellaneous Revenues						
Energy Services	7,320,674	7,533,192	7,350,000	7,200,000	7,200,000	7,200,000
Misc Energy Income	27,860	61,648	37,600	27,500	27,500	27,500
Miscellaneous Revenues	7,348,534	7,594,840	7,387,600	7,227,500	7,227,500	7,227,500
Cash Forward	100,000		75,000	89,695	89,695	89,695
	100,000		75,000	89,695	89,695	89,695
Energy Services	7,565,627	7,646,522	7,469,100	7,326,195	7,326,195	7,326,195

City of Hermiston
Detailed Expenditures

13

6350 HERMISTON ENERGY SERVICES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services	164,100	164,131	168,360	170,885	170,885	170,885
Overtime			600	600	600	600
Unemployment Insurance		1,071	1,185	1,200	1,200	1,200
Accident Insurance	1,291	1,443	1,295	1,485	1,485	1,485
Retirement	26,545	21,093	34,300	37,765	37,765	37,765
Social Security	12,397	12,401	12,925	13,120	13,120	13,120
Medical, Dental & Life Ins	15,930	17,285	17,435	15,675	15,675	15,675
Personal Services	220,263	217,424	236,100	240,730	240,730	240,730
Accounting & Auditing	3,932	5,246	5,500	5,500	5,500	5,500
Other Professional Service	1,333,462	1,324,326	1,369,000	1,400,000	1,400,000	1,400,000
Travel & Training	6,161	4,092	7,500	7,000	7,000	7,000
Property & Liability Ins	15,316	15,789	14,200	14,200	14,200	14,200
Telephone	438	446	475	550	550	550
Street Lights		82,443	80,000	84,000	84,000	84,000
Power Purchases-BPA	3,460,508	3,583,944	3,895,000	4,000,000	4,000,000	4,000,000
In Lieu of Taxes	366,036	375,117	367,500	360,000	360,000	360,000
Conservation Services	102,037	131,358	150,000	150,000	150,000	150,000
Energy Assistance (HEAT)	10,000	10,000	10,000	10,000	10,000	10,000
Dues & Membership	30,568	42,083	38,395	40,000	40,000	40,000
Miscellaneous Contractual	11,885	6,596	108,100	125,000	125,000	125,000
Contractual Services	5,340,343	5,581,440	6,045,670	6,196,250	6,196,250	6,196,250
Office Supplies	1,008	947	4,000	4,000	4,000	4,000
Commodities	1,008	947	4,000	4,000	4,000	4,000
Capital Improvements	438,757	364,602	400,000	126,875	126,875	126,875
Res-HES Improvements	100,000	645	38,240			
Transfer-Bonded Debt	716,104	730,998	745,090	758,340	758,340	758,340
Capital Outlay	1,254,861	1,096,245	1,183,330	885,215	885,215	885,215
Energy Services	6,816,475	6,896,056	7,469,100	7,326,195	7,326,195	7,326,195

RESERVE FUND

This fund is the accounting entity which accounts for the long-term appropriations necessary to finance this local government. Financed directly by appropriations from our operating funds and with limited revenues directly from small reimbursement projects, the reserve fund has been the major single fiscal tool which has provided the City of Hermiston with the stability and multiple year project vision necessary to manage a small community in difficult financial times. The reserve fund allows the accumulation of resources to accomplish specifically authorized goals contained in the resolution which must be adopted to establish each account. The reserve fund and the specific accumulations and purposes are enumerated in the "Schedule of Reserve Fund Appropriations" contained in this budget.

THE RESERVE FUND STRUCTURE

The City of Hermiston uses the reserve funds for various purposes including the accumulation of funds to take on projects which cannot be financed in any single year. Our method of appropriation is to show all accumulated reserves in the annual appropriation. Our intent by pursuing this approach is to fully disclose all existing resources which are targeted to specific purposes. It would not be necessary to appropriate funds not specifically planned for expenditure in the fiscal year. However, this approach allows everyone analyzing our budget to see all accumulated resources.

The schedule of appropriations and the purpose of each individual reserve fund is separately stated in the "Schedule of Reserve Fund Appropriations".

The summary appropriations to the reserve fund in this budget are:

Street	291,700
Utility	447,295
Regional	50,000
	<hr/>
	\$788,995

RESERVE FUND - RESOURCES

Fund Established by Resolution No. 1855 on 04/27/2009
For Maintenance and Replacement of Equipment

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Miscellaneous Grants	86,531	937,763	6,000			
Airport Grant	731,353	6,725				
Transient Room Tax	63,632	75,144	93,000	14,250	14,250	14,250
Miscellaneous Income	4,735	250				
Transfers From:						
General Fund	364,000		50,000			
Street Fund	204,000	6,750	25,765	291,700	291,700	291,700
Utility Fund	134,075	105,316	336,015	364,250	364,250	364,250
Regional Water			12,050	50,000	50,000	50,000
Energy Services	100,000	645	38,240			
Cash Forward	3,880,009	3,490,725	3,409,150	3,693,200	3,693,200	3,693,200
Total Resources	5,568,335	4,623,318	3,970,220	4,413,400	4,413,400	4,413,400

RESERVE FUND - EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Office Equipment/Program	11,342	5,377	36,835	20,630	20,630	20,630
Airport Improvements	778,197	1,696	11,380	9,685	9,685	9,685
Park Improvements	51,345	70,505	5,605	155	155	155
TRT/Recreation Programs	4,669	39,600	31,750	47,010	47,010	47,010
Parks & Recreation Dev	7,722	5,350	178,905	109,090	109,090	109,090
Centennial Bell			2,355	2,355	2,355	2,355
Pioneer Hi-Bred Improv	507,587	20,964				
Street Equipment	57,197		50,145	162,645	162,645	162,645
Bicycle Trails			104,015	110,715	110,715	110,715
Street Maintenance	32,004	71,098	120,700	242,990	242,990	242,990
Street Construction	137,201	140,279				
Utility Construction			56,960	329,510	329,510	329,510
Sewer Dept Equipment			21,405	17,020	17,020	17,020
Water Dept Equipment			10,405	15,405	15,405	15,405
WWT Plant Improvement			408,315	491,380	491,380	491,380
BMCC Latino Education	91,887	63,073	645			
HES Improvements		79,762	1,388,820	1,388,205	1,388,205	1,388,205
Repair/Replace- Regional	124,009	17,052	705,820	613,900	613,900	613,900
Wastewater - SDC			73,160	83,630	83,630	83,630
Water - SDC	21,036		732,800	724,875	724,875	724,875
Parks - SDC			30,200	44,200	44,200	44,200
Total Expenditures	1,824,196	514,756	3,970,220	4,413,400	4,413,400	4,413,400

RESERVE FUND EXPENDITURES
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services						
Materials & Services	36,673	179,121	153,095	399,340	399,340	399,340
Capital Outlay	1,787,523	335,635	3,767,125	4,014,060	4,014,060	4,014,060
Total	1,824,196	514,756	3,920,220	4,413,400	4,413,400	4,413,400

The reserve fund is a set of specific reserve accumulation accounts structured in accord with Oregon State Statutes. The reserve accounts are established by resolution and designed to accomplish specified long-term goals. This approach allows multi-year planning and financing for specific improvement requirements. A detailed analysis of each reserve account and the specified goal for the account is:

1. **Office Equipment/Programming.** The equipment reserve is accumulating revenues to replace current productive machinery in use such as typewriters, adding machines and computers and for periodic updates to the computer software and enhancements to the operating system.
2. **Airport Improvements.** This account established the local matching requirements which will be needed in conjunction with a grant proposal for a package of capital maintenance items at the airport.
3. **Park Improvements.** This reserve account was created to accumulate funds to meet the requirements of the park master plan.
4. **TRT/Recreation Programs.** A portion of the transient room tax is dedicated to recreation purposes. This reserve fund is established to maintain better accounting control of funds designated for this purpose. Allocations for this portion of the room tax collections are made pursuant to recommendations of the advisory committee.
5. **Park & Recreation Development.** A portion of the transient room tax is dedicated for city parks and recreation development administered by the Parks and Recreation Committee. The proceeds of the tax for such developments shall accumulate in this reserve and may not be diverted or utilized in any other manner.
6. **Centennial Bell.** This reserve fund was to cast and install a centennial bell as part of the city-wide 100th birthday celebration. The bell is located at McKenzie Park.
7. **Pioneer Hi-Bred Improvements.** This account was established to fund expenditures for infrastructure extension and improvements, road/water/sewer, to Pioneer Hi-Bred seed site. A portion of that expense is recovered through Immediate Opportunity Fund grant and Special Public Works Fund grant.
8. **Street Equipment.** Designated to replace heavy equipment in the street department.
9. **Bicycle Trails.** This is a state-mandated outlay consisting of 1% of all gasoline tax proceeds for the development of bicycle systems.
10. **Street Maintenance.** This reserve fund is established to maintain the many streets in our community by providing funding for such materials as asphalt, concrete, paint and sign materials.
11. **Street Construction.** The undesignated balance is targeted for costs related to overlay and reconditioning projects to be approved by the city council. Hermiston has over 40 miles of paved roadways and current roadway deficiencies of over \$1,000,000. The designation of the specific roadway segments will be made by the city council.

12. **Utility Construction.** This account was created to accumulate funds to address all major water and sewer projects.
13. **Sewer Department Equipment.** Designated to replace equipment in the sewer department.
14. **Sewer Plant & Repairs.** These funds are to address the issue of plant equipment replacement and cleaning of the digester. Under normal operation, a digester is cleaned every three to five years, depending on a number of factors.
15. **Water Department Equipment.** Designated to replace heavy equipment in the water department.
16. **WWT Plant Improvements.** These funds for are for the following improvements to the wastewater treatment plant: 1) Chemical treatment for extending the life of the treatment process; 2) Refurbish the digester lids so they don't rust through, and 3) A new blower to help add air to the treatment system, plus all of the studies, engineering and contingencies to go with it and the City's Recycled Water Plant project.
17. **BMCC Latino Education.** This fund was created to reimburse expenditures of this jointly sponsored BMCC/City of Hermiston HUD Special projects program. These are programming dollars for a special Latino education program coordinated by BMCC. All funding is from an HUD grant. When the Northeastern Oregon Business and Economic Growth Project is finalized these reimbursed monies will be credited as matching dollars toward the future funding from the State of Oregon toward this program.
18. **HES Improvements.** This reserve establishes the initial funding for future HES capital contingencies.
19. **Repair & Replacement-Regional.** Designated to set aside funds for major capital repairs and replacement to the regional water treatment system.
20. **Wastewater System Development Charges.** Reimbursement and improvement fees shall be spent only on capital improvements associated with the wastewater system or on capacity increasing capital improvements including expenditures relating to repayment of indebtedness.
21. **Water System Development Charges.** Reimbursement and improvement fees shall be spent only on capital improvements associated with the water system or on capacity increasing capital improvements including expenditures relating to repayment of indebtedness.
22. **Park System Development Charges.** Reimbursement and improvement fees shall be spent only on capital improvements associated with the parks system or on capacity increasing capital improvements including expenditures relating to repayment of indebtedness.

WWTP CONSTRUCTION
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services						
Materials & Services	369,480	1,640,337	2,500,000	2,500,000	2,500,000	2,500,000
Capital Outlay			24,500,000	24,500,000	24,500,000	24,500,000
Total	369,480	1,640,337	27,000,000	27,000,000	27,000,000	27,000,000

In accord with the city policy of isolating and independently accounting for major capital projects, the wastewater treatment plant construction project fund was created by supplemental budget in fiscal year 2008-09 in connection with the City's Recycled Water Plant project.

City of Hermiston
Resources

WWTP CONSTRUCTION

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
From Other Agencies						
State SRF Loan		152,167	4,000,000	4,000,000	4,000,000	4,000,000
From Other Agencies		152,167	4,000,000	4,000,000	4,000,000	4,000,000
Sale of Full Faith & Credit	250,000	1,250,000	23,000,000	23,000,000	23,000,000	23,000,000
Non-Revenue Receipts	250,000	1,250,000	23,000,000	23,000,000	23,000,000	23,000,000
WWTP Construction	250,000	1,402,167	27,000,000	27,000,000	27,000,000	27,000,000

City of Hermiston
Detailed Expenditures

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6310 WWTP CONSTRUCTION

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Other Professional Services	369,480	1,633,456	2,300,000	2,300,000	2,300,000	2,300,000
Miscellaneous Contractual		6,881	200,000	200,000	200,000	200,000
Contractual Services	369,480	1,640,337	2,500,000	2,500,000	2,500,000	2,500,000
Capital Improvements			24,500,000	24,500,000	24,500,000	24,500,000
Capital Outlay			24,500,000	24,500,000	24,500,000	24,500,000
WWTP Construction	369,480	1,640,337	27,000,000	27,000,000	27,000,000	27,000,000

SPECIAL REVENUE FUND - RESOURCES

	2008-09 Received	2009-10 Received	2010-11 Estimate	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Miscellaneous Grants	46,884	110,173				
Miscellaneous Revenues	837,353	123,927				
Cash Forward	478,174	689,676	719,090	716,425	716,425	716,425
Total Resources	1,362,411	923,776	719,090	716,425	716,425	716,425

SPECIAL REVENUE FUND - EXPENDITURES

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Recreation Fund	138,150	114,955	84,590	181,385	181,385	181,385
Municipal Court	195,225	241,629	18,495	18,505	18,505	18,505
Miscellaneous Trust	283,956	177,279	401,450	315,825	315,825	315,825
Conference Center	95,006	151,822	89,185	84,240	84,240	84,240
Law Enforcement	21,495	86,976	46,520	57,720	57,720	57,720
Library	44,076	84,965	78,850	58,750	58,750	58,750
Total Expenditures	777,908	857,626	719,090	716,425	716,425	716,425

SPECIAL REVENUE FUND EXPENDITURES
by character

	2008-09 Expended	2009-10 Expended	2010-11 Budget	2011-12 Proposed	2011-12 Approved	2011-12 Adopted
Personal Services						
Materials & Services	195,225	770,650	541,320	599,955	599,955	599,955
Capital Outlay	582,683	86,976	177,770	116,470	116,470	116,470
<u>Total</u>	777,908	857,626	719,090	716,425	716,425	716,425

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. A detailed analysis of each revenue account and specified goal for the account is:

1. **Recreation**: This fund is used to account for amounts designated for recreation activities for city residents.
2. **Municipal Court**: This fund is used to account for bail and fines received and refunds paid.
3. **Miscellaneous Trust Account**: This fund is used to account for amounts received by the city with a dedicated purpose.
4. **Conference Center**: This fund is used to account for revenues and expenditures relating to the operation of the City's conference center
5. **Law Enforcement**: This fund is used to account for amounts designated by the City for law enforcement and related purposes.
6. **Library**: This fund is used to account for amounts designated by the City for library operations and improvements.

CITY OF HERMISTON

GLOSSARY OF TERMS

Adopted Budget. Financial plan that forms the basis for appropriations. Adopted by the governing body.

Ad Valorem Tax. A property tax computed as a percentage of the value of taxable property. See "Assessed Value."

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body.

Assessed Value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

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

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

Budget Message. Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body.

Budget Officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget.

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

Commodities. Supplies purchased for direct use, such as paper products, gasoline, equipment parts and cleaning supplies.

Contractual Services. Services provided by outside sources, such as architects, janitorial and printing.

Debt Service Fund. A fund established to account for payment of general long-term debt principal and interest.

Enterprise Fund. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water and wastewater utilities.

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.

Fiscal Year. A 12-month period to which the annual operating budget applies. At the end of the period, a government determines its financial position and the results of its operations. It is July 1 through June 30 for local governments.

Full-Time Equivalent Position (FTE). A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example a summer parks worker working for four months, or 690 hours, would be equivalent to .3 of a full-time position.

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

Goal. A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

HES. Hermiston Energy Services.

Long-Term. A period of time ten years or more.

Materials & Services. The goods and direct services purchased for direct consumption in the annual operation of the budget.

Maximum Assessed Value (MAV). The maximum taxable value limitation placed on real or personal property by the constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Operating Funds. Resources derived from recurring revenue sources used to finance ongoing expenditures and pay-as-you-go capital projects.

Operating Rate. The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

Ordinance. A formal legislative enactment by the governing board of a municipality.

ORS. Oregon Revised Statutes.

Permanent Rate Limit. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government can increase a permanent rate limit.

Personal Services. Salaries, health and accident insurance premiums, social security and retirement contributions, for example.

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

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date. In most cases, the value used to test the constitutional limits.

Reserve Fund. Established to accumulate money from one fiscal year to another for a specific purpose, such as purchase of new equipment.

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resources. Estimated beginning funds on hand plus anticipated receipts.

SDC. System Development Charge.

Short-Term. A period of time less than ten years.

State SRF Loan. Long-term loan from the State of Oregon Department of Environmental Quality's "Clean Water State Revolving Fund" program. Funds from this loan are a portion of the total financing for the City's Recycled Water Plant project.

Supplemental Budget. A financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax.

System Development Charge. A reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement, at the time of issuance of a development permit or building permit, or at the time of connection to the capital improvement.

Tax on Property. Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequences of ownership of that property.

Tax Rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

Transfers. Also known as inter-fund transfers, the amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

TRT. Transient Room Tax.

Unappropriated Ending Fund Balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provided the local government with cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency.

User Charges. The payment of a fee for direct receipt of a public service by the party benefiting from the service.

WWTP. Wastewater Treatment Plant.

HERMISTON CITY COUNCIL

Budget Committee Meeting

May 16, 2011

At 6:00 pm Mayor Severson opened the first meeting of the budget committee to consider the proposed budget for 2011-12 fiscal year. Present were budget committee members Fred Allen, Jr., Eric Carpenter, Mary Corp, Lori Davis, Rod Hardin, Joe Harn, Frank Harkenrider, Karen Hutchinson-Talaski, Brian Misner, Jackie Myers, Harmon Springer and Pat Wheelhouse.

City staff present included City Manager Brookshier, Bob Irby, Ray Jones, Dan Coulombe, Ron Sivey, Roy Bicknell, Bill Schmittle, Judge Tom Creasing, Ivan Anderholm, Chuck Woolsey, Clint Spencer, Marie Baldo, Russ Dorrان, Rose Emerson and Donna Moeller. Citizens present were Dan Jamison, Bob Stanley and Alice Stanley. News media present were Neill Woelk and Luke Hegdal of the Hermiston Herald.

Mayor Severson stated the committee must elect a chairman and secretary. Karen Hutchinson-Talaski was nominated and unanimously elected as chairman. Pat Wheelhouse was nominated as secretary and unanimously elected.

Chairman Talaski asked Budget Officer Ed Brookshier to present the budget message. Mr. Brookshier reviewed his message stating the proposed combined funds budget for the 2011-12 fiscal year is \$54,520,795, up two-tenths of one percent from the current year's budget. As with the current budget, the proposed 2011-12 budget includes the \$27 million capital allocation for the new Recycled Water Plant project. The General Fund, which funds most of our non-utility services, is proposed at \$7,389,960, an increase of just over \$50,000 from the current budget year, but still below budgeted levels for the prior two fiscal years. We are proposing a Cash Forward amount of \$416,110 to balance the General Fund. A small number of public improvement projects were introduced in the 2010-11 Supplemental Budget in February, but are being carried forward or completed in the new fiscal year. These include: \$50,000 to widen and delineate E. Main from east of 7th to 10th for safer pedestrian access; a cooperative project with ODOT for a mid-block pedestrian crossing on Highway 207/W. Elm in the vicinity of the hospital; \$30,000 for handicapped accessibility and landscaping improvements at City Hall; and, \$75,000 to Agape House toward the cost of building a shelter in Hermiston for homeless families. Two other significant General Fund allocations/transfers proposed for the 2011-12 year is a \$56,000+ transfer to the Street Fund to be combined with existing funds to purchase a new street sweeper and a \$100,000 allocation to the Revolving Loan Fund which will be proposed as a local match to obtain a second Economic Development Revolving Loan grant from the Oregon Department of Business Development. Were it not for the cost of the new street sweeper, the Street Fund would have again balanced without the necessity of subsidization from the General Fund. This is a direct result of the State Legislature passing a phased increase in the State gasoline tax. We are also recognizing Surface Transportation Program (STP) funding as a Street Department revenue. In the Utility Fund we are proposing significant improvements to the City's shallow aquifer well (Well 5). The Regional Water Fund requires the allocation of \$86,900 in Fund cash forward to balance. This is partially due to an allocation of \$50,000 to replace the Regional system's telemetry operations system (estimated to cost approximately \$200,000). The Energy Services department budget includes \$75,000 toward the cost of developing the Agape House shelter for homeless families. Also pertinent to the Energy Services Fund, we expect to be able to absorb the anticipated 8+% wholesale power cost increase we will be getting from BPA later this year without having to pass any of the increase through to our retail customers. The budget includes a proposed 1.5% pay increase for eligible employees. In January of this year our non-union employees moved to a lower cost, higher co-pay health insurance plan with a high deductible. Police union employees remain on a 90-10 coverage plan with a low deductible. The Police contract expires June 30; therefore, the budgetary implications of a prospective new contract simply can't be predicted at present. This will be the second year in a row where we have produced a proposed budget which I consider generally sustainable over the near-term.

Upon completion of the presentations of the remaining budgets, and with no further comments or questions regarding the budget, Frank Harkenrider moved and Fred Allen, Jr. seconded to approve the rate per thousand of \$6.0860 for general fund operations. Motion carried unanimously. Frank Harkenrider moved and Pat Wheelhouse seconded to approve a tax levy of \$363,236 for bonded debt. Motion carried unanimously.

Jackie Myers moved and Fred Allen, Jr. seconded to approve the budget as amended. Motion carried unanimously.

It was announced that the budget hearing is scheduled for June 13, 2011 at 7:00 pm.

The meeting was adjourned at 9:00 pm.

APPROVED:

/s/ Karen Hutchinson-Talaski
Budget Chairman

ATTEST:

/s/ Pat Wheelhouse
Budget Secretary