



# City of Veneta Budget Report for Citizens

Fiscal year  
2017-2018

City of Veneta  
88184 8th St \* PO Box 458 \* Veneta, Oregon 97487  
541-935-2191 \* [www.venetaoregon.gov](http://www.venetaoregon.gov)

# THE CITY'S BEGINNING

The town, platted in 1912 by Edmund Hunter, was named Veneta by Charles Dunham, Mr. Hunter's business partner, after Mr. Hunter's youngest daughter. The two men foresaw growth and prosperity for the new town, situated on the railroad being constructed from Eugene to the coast. To encourage business development they gave three lots to anyone who would start a business in town.

In the late 1940s, a group known as the Veneta Improvement Association (VIA) was formed to coordinate community volunteer efforts to build a gym at Veneta Elementary School. Largely through the efforts of the VIA, the town became the incorporated City of Veneta in April of 1962 by a vote of 211 to 168. Veneta was the tenth of twelve cities to incorporate in Lane County. The impetus for incorporation was the need for clean water, unpolluted by septic systems, after a series of hepatitis outbreaks sickened many citizens. More of the City's and area's history can be found in the Applegate Pioneer Museum on W. Broadway, one block east of City Hall.

**Veneta City Hall**



**Fern Ridge Service Center**



**Veneta Community Pool**



# BUDGET PROCESS AND COMMITTEE

The process of developing the City's budget is a combined effort of the City's Budget Officer and management staff and is governed by the City Charter, City Ordinances, and state budget laws. The initial tasks such as filling vacancies on the budget committee and setting the date for the first budget committee meeting begin in November. The majority of the budget preparation takes place from January through April. Meetings, review and adoption occur in May and June each year.

The budget committee is comprised of the mayor, councilors and five Veneta residents. Currently the members are:

## **Council Members:**

Mayor Sandra Larson  
Council President Thomas Cotter  
Thomas Laing  
Robbie McCoy  
Keith Weiss

## **Citizen Members:**

George Hageman  
Carolyn Heckler  
Johl Brock  
Darlene Harris  
Calvin Kenney

The information in this report is based on the full budget document that can be viewed at the City's Administrative Center. Budget documents for prior years and audited financial statements and reports, reflecting actual activity, are also available at 88184 8<sup>th</sup> St or on the City's website [www.venetaoregon.gov/finance](http://www.venetaoregon.gov/finance)

# ADOPTED BUDGET

On June 26, 2017 the City Council adopted the operating budget for the fiscal year beginning July 1, 2017 as shown in the following schedule. For comparison purposes the revenue by type and the expenditures by classification are also given for the past three years.

| 2015<br><u>Actual</u> | 2016<br><u>Actual</u> | 2017<br><u>Adopted</u> | <u>Description</u>            | 2018<br><u>Adopted</u> |
|-----------------------|-----------------------|------------------------|-------------------------------|------------------------|
| <b>RESOURCES</b>      |                       |                        |                               |                        |
| <b>\$ 13,975,953</b>  | <b>\$ 14,473,155</b>  | <b>\$ 14,423,127</b>   | <b>BEGINNING FUND BALANCE</b> | <b>\$ 13,186,109</b>   |
| <b>New Revenue:</b>   |                       |                        |                               |                        |
| 1,373,286             | 1,427,417             | 1,447,750              | Property Taxes                | 1,504,670              |
| 219,614               | 224,658               | 210,918                | Franchise Fees                | 225,820                |
| 597,761               | 591,558               | 903,458                | Government Agencies           | 947,302                |
| 2,528,300             | 3,007,993             | 2,663,025              | User Fees                     | 2,751,507              |
| 73,651                | 92,451                | 56,482                 | Interest Earnings             | 82,528                 |
| 18,306                | 26,614                | 28,210                 | Grants and Donations          | 672,020                |
| 211,337               | 228,283               | 46,863                 | Licenses & Permits            | 108,313                |
| 22,503                | 20,584                | 13,000                 | Fines                         | 18,696                 |
| 3,483,785             | 591,000               | 431,300                | Transfers                     | 382,708                |
| 169,998               | 247,423               | 75,121                 | All Other                     | 146,079                |
| <b>8,698,541</b>      | <b>6,457,981</b>      | <b>5,876,127</b>       | <b>Total New Revenue</b>      | <b>6,839,643</b>       |
| <b>\$ 22,674,494</b>  | <b>\$ 20,931,136</b>  | <b>\$ 20,299,254</b>   | <b>TOTAL RESOURCES</b>        | <b>\$ 20,025,752</b>   |
| <b>REQUIREMENTS</b>   |                       |                        |                               |                        |
| <b>Expenditures:</b>  |                       |                        |                               |                        |
| 1,285,863             | \$ 1,403,900          | \$ 1,583,947           | Personnel Services            | \$ 1,783,237           |
| 2,341,189             | 2,672,466             | 3,057,876              | Materials and Services        | 3,782,010              |
| 204,081               | 447,006               | 911,025                | Capital Outlay                | 1,105,505              |
| 886,421               | 866,274               | 1,535,021              | Debt Service                  | 1,077,821              |
| 3,483,785             | 591,000               | 431,300                | Transfers                     | 382,708                |
| -                     | -                     | 432,500                | Contingency                   | 430,500                |
| <b>8,201,339</b>      | <b>5,980,646</b>      | <b>7,951,669</b>       | <b>Total Expenditures</b>     | <b>8,561,781</b>       |
| <b>14,473,155</b>     | <b>14,950,490</b>     | <b>12,347,585</b>      | <b>ENDING FUND BALANCE</b>    | <b>11,463,971</b>      |
| <b>\$ 22,674,494</b>  | <b>\$ 20,931,136</b>  | <b>\$ 20,299,254</b>   | <b>TOTAL REQUIREMENTS</b>     | <b>\$ 20,025,752</b>   |

## BUDGET PREPARATION

Broadly speaking the budget is prepared with consideration given to the council's priorities, services provided, requirements and expectations. As well as identifying and estimating the financial resources and financial needs. Each one of these are discussed further below.

### ***COUNCIL PRIORITIES:***

| 2017 Goal Ranking |  |
|-------------------|--|
| 1                 | Create community and economic development opportunities for business and industry to retain and create jobs.   |
| 2                 | Improve community safety through enhanced community policing, emergency preparedness, and code enforcement efforts.  |
| 3                 | Promote parks and recreation projects and improvements that support healthy and active lifestyles for all ages.  |
| 4                 | Urbanize city streets in order to improve bicycle and pedestrian connectivity and continue to develop multi-use paths for the betterment of the community. |
| 5                 | Improve community awareness of City issues and public engagement opportunities.  |
| 6                 | Address high priority infrastructure issues.   |

### ***SERVICES PROVIDED:***

The City currently provides water, sewer, street repairs and maintenance, park facilities and seasonal swimming pool, planning, building and building related permits, storm-water, animal control, and law enforcement services. No changes are expected.

### ***REQUIREMENTS AND EXPECTATIONS:***

The City, similar to other public & private employers, is subject to the requirement to pay minimum wage and provide sick leave to all employees. Recent emphasis on public safety has created the expectation that the City will not make any decreases to the amount of sheriff's deputy time we contract for (currently the equivalent of four full-time deputies and one-half of a sergeant's time).

# IDENTIFYING & ESTIMATING FINANCIAL RESOURCES & NEEDS:

The resources for the City include the estimated amount of money left over from previous years and new revenue it expects to receive during the year.

## REVENUE SOURCES

The most significant revenue types are listed and described below.

### Property Taxes:

Money received based on the City’s permanent rate of \$5.6364 per \$1,000 of assessed value on property within the City. An additional amount is also received per the voter approved bond to pay for construction of the Veneta Community Swimming Pool.

### Franchise Fees:

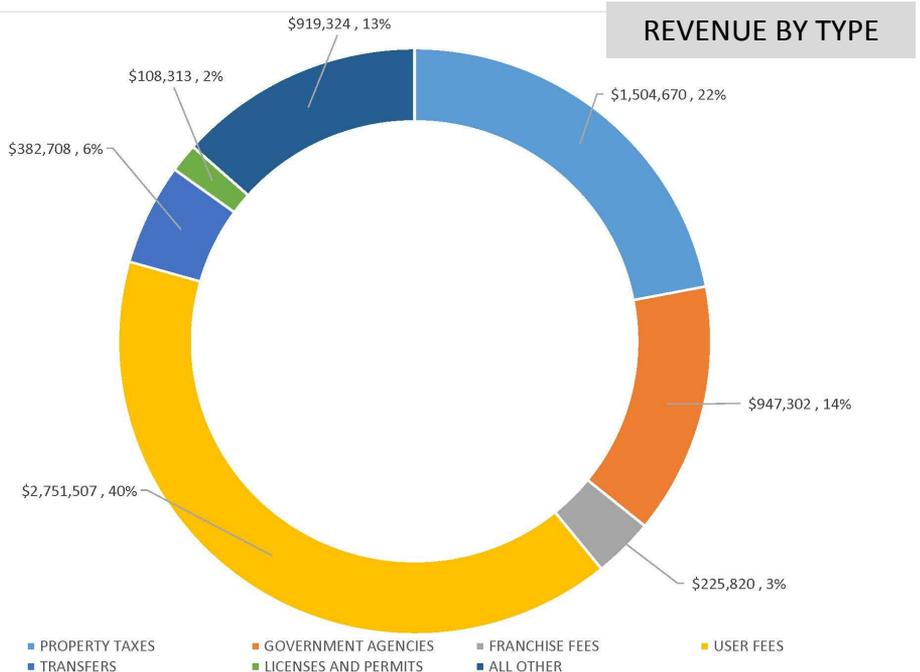
These are fees paid by the electric, telephone, garbage and cable companies in exchange for operating within the public right-of-way.

### Government Agencies:

The State of Oregon “shares” money it receives from the liquor, cigarette, marijuana and gas taxes with local governments throughout Oregon. This type of revenue also includes money being transferred from the Urban Renewal Agency.

### User Fees:

Charges for services. Fees for providing water and sewer services make up the majority of this type.



The financial needs, or expenditures, of the City include the money needed to operate and money to be “saved” for unforeseen events, future capital projects and/or to start the next fiscal year with.

## ***EXPENDITURES***

### **Personal Services:**

The money used to pay wages and provide benefits to City employees.

### **Materials and Services:**

This classification includes any expense that is needed for daily operations. Examples include: supplies, most service contracts, electricity, office equipment and insurance.

### **Capital Outlay:**

Projects and purchases with a value of \$5,000 or more are budgeted in this classification.

### **Debt Service:**

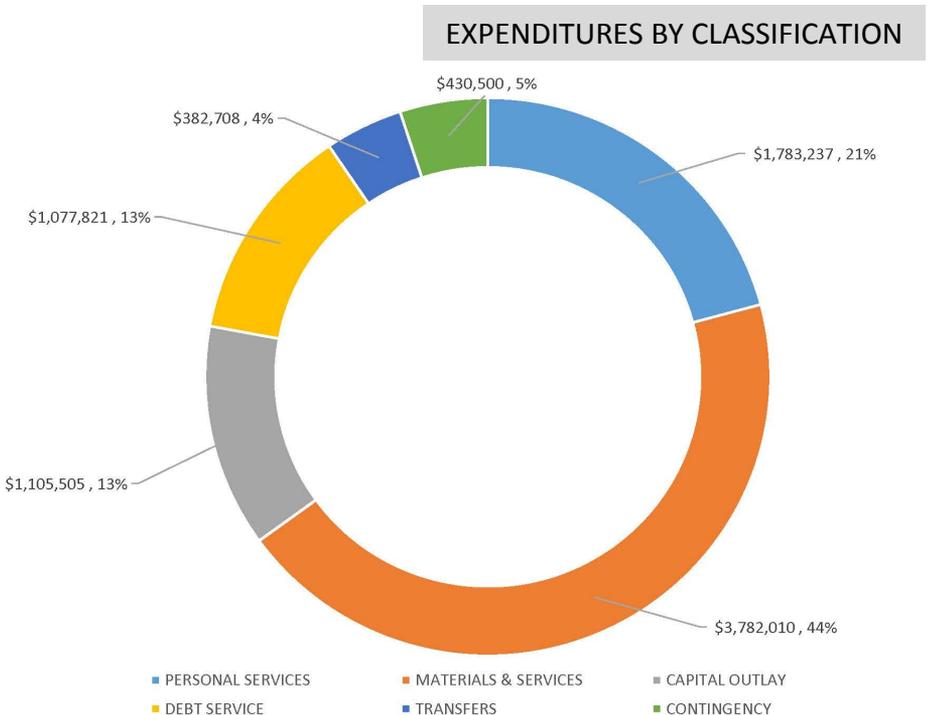
Payments made on bank loans and bond issues.

### **Transfers:**

These are internal transfers from one fund to another.

### **Contingency:**

Money budgeted to be spent if there are unexpected large needs.



## A CLOSER LOOK AT PROPERTY TAXES

In 1997 each entity with taxing authority was assigned a permanent rate per \$1,000 of taxable value. **Examples** of local entities with taxing authority are the City of Veneta, Lane Fire Authority, Fern Ridge Library, Lane County, Fern Ridge School District, etc.

There are potentially ten (10) such taxing entities for properties within the City's limits. For each piece of property within the City's limits the property taxes are calculated by multiplying the taxable value of the property by the permanent rate for each taxing entity in which the property is located.

Using only the **Example** entities above, for a property with a taxable value of \$100,000, the estimated tax would be calculated as shown below:

|                            |                                       |
|----------------------------|---------------------------------------|
| City of Veneta             | $\$5.64 * \$100,000/1,000 = \$564.00$ |
| Fern Ridge Library         | $\$ .38 * \$100,000/1,000 = \$ 38.00$ |
| Lane Fire Authority        | $\$1.97 * \$100,000/1,000 = \$197.00$ |
| Lane County                | $\$1.28 * \$100,000/1,000 = \$128.00$ |
| Fern Ridge School District | $\$4.82 * \$100,000/1,000 = \$482.00$ |

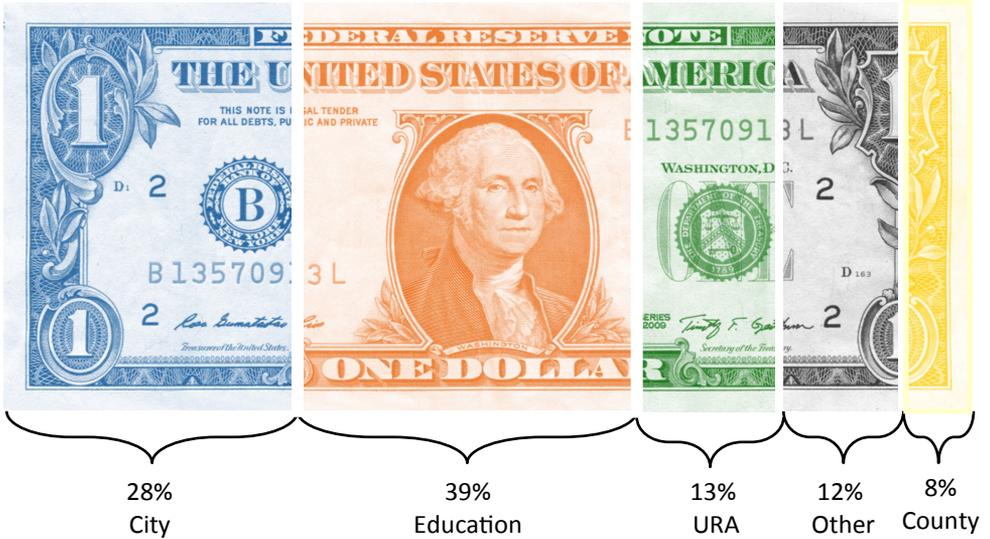
The Lane County Assessment and Taxation Department is responsible for the calculations, collections and distribution of property taxes. The calculation, in a simplified format, is shown above. Tax collections include preparing and mailing the property tax statements and collecting the money from property owners. Once the money is collected the County distributes it to each taxing entity.

For questions regarding your Lane County Property Taxes, you can contact Lane County Assessment and Taxation at 541-682-4321 or visit their website at [https://www.lanecounty.org/government/county\\_departments/assessment\\_\\_\\_taxation](https://www.lanecounty.org/government/county_departments/assessment___taxation)

# WHERE DO YOUR TAX DOLLARS GO?

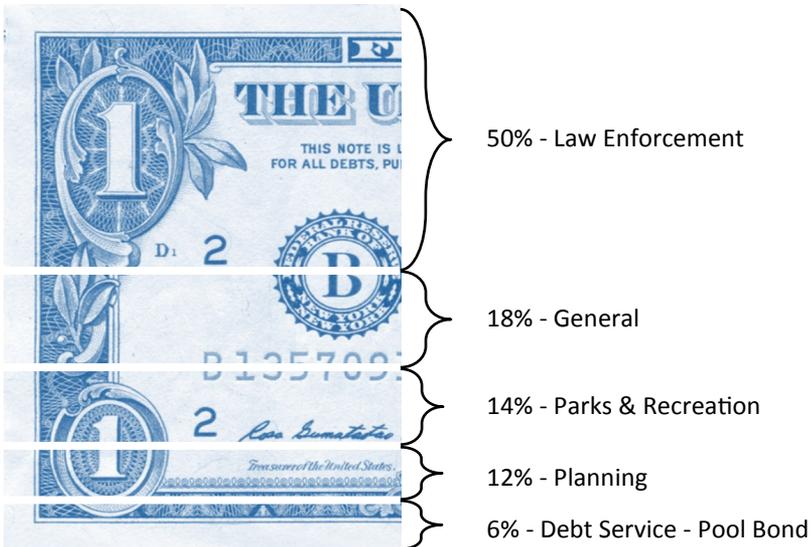
The estimated tax bill for most properties within Veneta, would be distributed as shown in Graph #1

## GRAPH #1



## GRAPH #2

Shows how the City's tax revenue is allocated.



## FUTURE CHALLENGES

For the most part the revenue that the City receives covers the operating, repair and maintenance costs necessary to maintain current services. The exceptions are law enforcement and swimming pool operations. Both are discussed in more detail below.

### **LAW ENFORCEMENT:**

The City contracts with the Lane County Sheriff's Office for law enforcement/policing services. Currently, the contract provides four full-time deputies and one half-time sergeant to handle public safety within the City's limits. The cost of the contract for fiscal year 2017-18 is \$866,833. In fiscal year 2011-12 the contract cost was \$721,000. That equates to a 20% increase in six years.

Property taxes are the main source of money used to pay for the contract. As shown on the previous graph, currently nearly 50 cents of every \$1.00 collected goes toward law enforcement. For fiscal year 2017-18 the projected revenue amount expected is \$735,107, \$131,726 less than the contract amount. This disparity has occurred for years; however, up until fiscal year 2013-14 other revenue sources dedicated to law enforcement have made up the difference. Beginning in fiscal year 2013-14 money remaining, also known as Ending Fund Balance (EFB), from previous years has also been used to cover the contract cost. The use of EFB is not a sustainable solution. In fact, current projections indicate that the EFB will be completely used up by the end of fiscal year 2019-20.

Possible options to avoid that outcome would be to cut back the contract hours, negotiate for lower contract increases, increase the amount of property taxes dedicated to law enforcement and/or to pursue a new revenue source. All of these solutions are viable; however, each has the potential for adverse impacts on the community and on other City operations.

## **SWIMMING POOL OPERATIONS:**

After several years without a community swimming pool, the City was able to construct a new swimming pool and building. The money used to pay for the construction was a combination of City savings, generous donations from the community and the generosity of the City's residents demonstrated by their approval of additional property taxes being assessed on their property.

The new pool opened in the summer of 2010. The cost to operate the pool that year was \$96,678 and the money collected from patrons for use of the pool totaled \$46,004. This resulted in a financial loss of \$50,674. In 2016, the cost for pool operations was \$102,413 and the money collected was \$49,609, a loss of \$52,804. This financial loss in operations has occurred, in varying amounts, in the years in between as well.

The original plans for the new facility included a "kiddie" or multi-use pool. Due to cost constraints the construction of that portion of the facility was put on hold. Recent efforts in seeking grants and fund-raising have secured about 1/3 of the money needed to construct that part. Design work is also underway. When the multi-use pool is constructed, it is expected that the increased revenue will offset the additional operating costs.

The financial transactions related to the swimming pool are recorded within the Parks and Recreation Fund. The main sources of money coming into this fund are property taxes, pool use fees, and a portion of the liquor taxes collected by the State and distributed to all counties and cities. These sources are supplemented with \$10,000-\$20,000 from the proceeds of operating the campground at Zumwalt Park during the Oregon Country Fair.

Parks and Recreation funds are used for pool operations, maintenance and care of the Community Center and all park related costs. The City receives numerous requests to expand the pool season beyond the summer months. In theory, this is a request that the City would very much like to grant. In reality, unless something changes the expense to revenue ratio, expanding the season does not appear to be a good business decision.

Although this challenge is not as urgent as the law enforcement challenge, City staff consistently keeps an eye out for additional funding, takes cost saving measures and adjusts the pool operating schedule and programs to increase patronage.

# Get Involved - Stay Connected

- **Veneta City Council:**  
Meets the second and fourth Mondays of the month at 6:30 p.m. at City Hall. Meetings are open to the public and public comments are welcomed.
- **Veneta Planning Commission:**  
Meets the first Tuesday of every month at 6:30 p.m. at City Hall. Meetings are open to the public. The Commission is charged with making land use decisions on applications where any interpretation of code is necessary or discretionary criteria are employed.
- **Veneta Park Board:**  
Meets the first Wednesday of each month at 4:30 p.m. at City Hall. The public is invited to attend. The Park Board is instrumental in planning several signature events in our Community as well as planning for acquisition and development of City park land.
- **Budget Committee:**  
The State of Oregon, through its local budget law requires that each local government prepare and adopt an annual or biennial budget. The budget committee meets twice during the month of May, the dates of those meetings are posted on the City's calendar on our website at [www.venetaoregon.gov/calendar](http://www.venetaoregon.gov/calendar)
- **Economic Development Committee:**  
Meets the second Wednesday of the month at 2:00 p.m. at City Hall. The Committee is an action-oriented group of local residents and business owners looking to support existing businesses and attract new ones.



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Explore our website: [www.venetaoregon.gov](http://www.venetaoregon.gov)