

A photograph of the Milwaukie City Hall building, a multi-story brick structure with large windows. The name "MILWAUKIE CITY HALL" is visible on the upper part of the building. A large green tree is in the foreground on the right side. The image is framed by a dark teal V-shaped graphic that points downwards.

MILWAUKIE CITY HALL

# PEOPLE'S ANNUAL FINANCIAL REPORT

MILWAUKIE, OREGON

20  
23

Fiscal Year Ended  
June 30, 2023

# CONTENTS

The information in this report is drawn from the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

Please review the Annual Comprehensive Financial Report online, or contact Finance Director Michael Osborne at [osbornem@milwaukieoregon.gov](mailto:osbornem@milwaukieoregon.gov) to request a copy or ask questions about this report.



CITY OF MILWAUKIE



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Milwaukie  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

|                                    |       |
|------------------------------------|-------|
| Letter from the City Manager       | 1     |
| Milwaukie Leadership               | 2     |
| City Council Goals & Priorities    | 3     |
| About Milwaukie                    | 4     |
| Milwaukie Operating Statistics     | 5     |
| Boards, Committees & Commissions   | 6-7   |
| Overview of Audited Results        | 8     |
| Balance Sheet                      | 9     |
| Income Statement                   | 9     |
| Financial Policies                 | 10    |
| Financial Planning                 | 10    |
| City Budget: Financial Plan        | 11    |
| City Budget: Information           | 11    |
| Budget: Where Our Money Comes From | 12-13 |
| Where Your Taxes Go                | 14    |
| How We Spend Our Money             | 15    |
| Expenditures by Department / Fund  | 16    |
| Glossary                           | 17    |

# LETTER FROM THE CITY MANAGER

Milwaukie Residents,

One of the primary roles of government is to use taxpayer dollars to provide the high-quality programs and services the community expects and deserves, and to do so in a thoughtful, transparent manner. This includes providing regular reports on the City's finances. We are proud to present the People's Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023.

The PAFR is designed to provide a summary view of the financial activities of the City. It is a high-level report for citizens who wish to learn more about Milwaukie finances. Within this report you will find a condensed and simplified format of the Annual Financial Report (AFR). It is important to note that this report is unaudited and is presented on a non-Generally Accepted Accounting Principles (GAAP) basis. It contains condensed financial information and does not provide all the necessary financial statements and note disclosures required by GAAP. The AFR is a more detailed and complete financial presentation, which is prepared in conformity with GAAP and is audited by the City's independent auditors.

The City of Milwaukie is proud that it has received all three of the Government Finance Officers Association (GFOA) awards for local government finance:

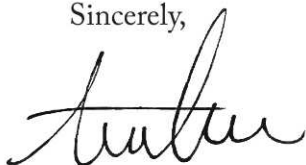
- Distinguished Budget Presentation Award
- Certificate of Achievement for Excellence in Financial Reporting
- Award for Outstanding Achievement in Popular Annual Financial Reporting

It is our belief that participating in GFOA award programs enhances the community with an understanding of Milwaukie finances. Attaining these awards demonstrates our belief that sharing financial information in formats consistent with the highest standards in governmental financial reporting is the best way to achieve financial transparency.

Throughout the year, the Finance Department works on budgets, audits, financial policies, financial forecasts, and financial management. We would like to thank the hard-working staff of the Finance department that is responsible for producing this report and the ACFR. Their commitment to accountability and integrity provides a great service to the Milwaukie community. We invite you to seek more in-depth information online. The ACFR, Biennial Budget, and other detailed reporting are available online at [www.milwaukieoregon.gov/finance](http://www.milwaukieoregon.gov/finance). The website also includes information about department operations, capital projects, job and volunteer opportunities, City Council agenda, meetings and much more.

If you have any questions about this document, please email Finance Director Michael Osborne ([osbornem@milwaukieoregon.gov](mailto:osbornem@milwaukieoregon.gov)).

Sincerely,



Ann Ober  
City Manager



# FORM OF GOVERNMENT

## ELECTED OFFICIALS (as of June 30, 2023)



Lisa Batey  
MAYOR



Adam Khosroabadi  
COUNCILOR #1



Robert Massey  
COUNCILOR #2



Desi Nicodemus  
COUNCILOR #3



Rebecca Stavenjord  
Council President  
COUNCILOR #4

## CURRENT APPOINTED OFFICIALS

Ann Ober  
CITY MANAGER

Justin Gericke  
CITY ATTORNEY

Kimberly Graves  
MUNICIPAL COURT JUDGE



Milwaukie operates under a Council-Manager form of government. The Mayor and City Councilors are responsible for establishing policy and providing direction to the City Manager. The Mayor and City Councilors are elected at-large and serve staggered four-year terms. The Mayor presides at official meetings and work sessions.

The city's administration is committed to professionalism and efficiency. It continues to provide this *People's Annual Financial Report*, which is published as part of the Finance Department's ongoing mission to provide the utmost transparency and understanding about Milwaukie's finances.



# CITY COUNCIL GOALS & PRIORITIES

The city has continued to establish and work toward clearly defined goals, objectives, and performance measures. During the budget review process, measures continued to be updated and reconsidered. The process is a continuing cycle of setting goals and objectives, reviewing short- and long-term goals, evaluating results, and reassessing the goals and their priority. These performance measures are included in the budget document and offer a historical perspective on operating trends for city departments. The use of performance measures is an important tool to ensure that resources are being used efficiently and effectively in pursuit of Council's goals.

The city continues to strive towards embracing transparency, accountability and continuous improvement to the community. City Council convene annually to discuss goals and objectives for the city. On April 18, 2023, the City Council identified three primary goals for the city in Resolution 21-2023. Those goals are:

## CLIMATE CHANGE MITIGATION AND RESILIENCE ACTION

The city continues to experience the unprecedented signs of climate change. These regular emergencies have tested our systems and community. To mitigate the consequences and adapt to a new world, City Council and staff have worked tirelessly to change the world's trajectory. Implementation of our Climate Action Plan has allowed the city to do its part in the global efforts. City Council declared a climate emergency in January 2020, calling for an acceleration of the climate goals outlined in the plan, pushing the city to achieve net-zero carbon emissions from electricity by 2040.

## EQUITY, JUSTICE AND INCLUSION

On May 25, 2020, people across our community and around the world were horrified by the murder of George Floyd. In the subsequent weeks, a movement arose that marked a sea change in how governments, private companies and communities confront the history and continued impacts of systemic racism in the United States. In August 2020, and again in 2023, City Council adopted equity, justice, and inclusion as a goal. Since then, the city has worked to take intentional, concrete steps to make Milwaukie a safe and equitable community for all. The city commits to the pursuit of an entirely equitable Milwaukie, recognizing that Black, Indigenous, and other People of Color (BIPOC) have suffered horrific inequities and crimes against humanity in addition to restrictions from generational wealth building in this country. In 2023, the City completed a comprehensive equity assessment of city policies and services and used these findings to develop an equity plan of actions to be implemented over the next three years.

## IMPROVING PARKS SYSTEM AND SERVICES

With this goal, the City Council committed to the difficult work of determining its relationship with the North Clackamas Parks and Recreation District (NCPRD). Whatever decision is reached will have a long-term impact on how Milwaukie residents engage with and influence their local park amenities. Simultaneously, the goal has allowed staff time to apply for and administer several grants to create three new neighborhood parks Balfour, Scott and Bowman Brae Parks. The steps the city is taking today to invest in better neighborhood parks for Milwaukie are a long-term down payment on better health, public space, and community building.

# ABOUT MILWAUKIE

Nestled along the banks of the Willamette River, Milwaukie enjoys the comforts of a small town, as well as the benefits of its close location to Portland. Milwaukie strives to stay true to itself and the spirit of the community, even if that's unconventional at times, while upholding a strong sense of optimism that keeps everyone persistent in their pursuit for shared successes. Woven through the fabric of the community is the value placed on ingenuity, equity and community connection. These strengths have contributed to the recently-completed visioning process that received an outpouring of support from the community, and led Milwaukie to receive the 2017 Award for Public Involvement and Participation from the Oregon chapter of the American Planning Association. They can also be found in the city's robust and thriving business community. With more than 1,500 companies, including Oregon Tool, Providence Milwaukie Hospital, North Clackamas School District and Precision Castparts Corporation, Milwaukie is home to several of Oregon's largest and most iconic employers.

The city's administration is committed to professionalism, efficiency, and customer service. The city operates its own police department, municipal court, water, wastewater and stormwater utilities, and provides street operations, planning, building inspections, engineering, community development and library services.

Clackamas Fire District #1 provides fire and emergency services and North Clackamas Parks & Recreation District provides parks and recreation services. Milwaukie lies within Clackamas County, which is headed by five commissioners and is based in Oregon City. Milwaukie is also part of Metro, the tri-county urban services district based in Portland.

## FACTS & FIGURES FOR FISCAL YEAR 2023

|  |                      |
|--|----------------------|
| City Property Tax Rate                 | \$4.1367/\$1,000 TAV |
| City Bonded Debt Tax Rate              | \$0.3302/\$1,000 TAV |
| Total Property Tax Rate:               | \$4.4466/\$1,000 TAV |
| City Share of Total:                   | 21%                  |
| Total Annual Budget                    | \$137.6 million      |
| Population                             | 21,375               |
| Employees                              | 149 FTE              |
| Outstanding Debt                       | \$57.67 million      |
| Bond Rating*                           | Aa2 *                |
| City-Maintained Roads                  | 160 lane miles       |
| Building Permits                       | 288                  |
| Sewer Miles                            | 79                   |
| Water Lines Maintained                 | 100                  |
| Number of Traffic Citations            | 3,392                |
| Average Library Circulation Per Capita | 14.84                |
| Unemployment Rate                      | 3.7%                 |

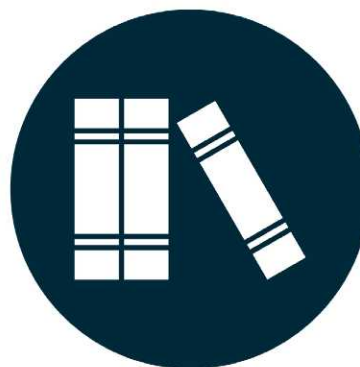
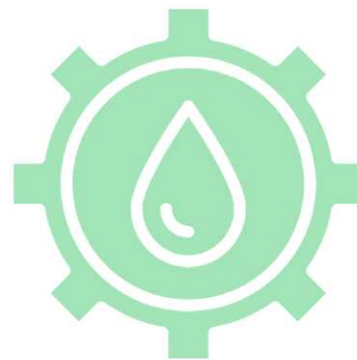
\* Investment Grade - Rated as high quality and very low credit risk.

## RANK PRINCIPAL EMPLOYERS EMPLOYEES

| RANK | PRINCIPAL EMPLOYERS             | EMPLOYEES |
|------|---------------------------------|-----------|
| 1    | Oregon Tool                     | 644       |
| 2    | Providence Milwaukie Hospital   | 679       |
| 3    | North Clackamas School District | 550       |
| 4    | PCC Structural Inc.             | 317       |
| 5    | Oeco LLC                        | 210       |
| 6    | ODS Plaza                       | 200       |
| 7    | Consonus Pharmacy Services      | 184       |
| 8    | Wendell & Wild                  | 164       |
| 9    | Alpine Food Distributing        | 156       |
| 10   | Dave's Killer Bread             | 144       |



# CITY OPERATION NUMBERS



LIBRARY ITEMS  
IN COLLECTION



# BOARDS, COMMITTEES & COMMISSION

The City of Milwaukie has 13 appointed boards, commissions and committees. Qualified applicants are appointed by City Council following an application and interview process. Terms for membership are two years for all, but the Budget Committee and Planning Commission. For more information or to apply, visit [www.milwaukieoregon.gov/bc](http://www.milwaukieoregon.gov/bc).

## ARTS COMMITTEE

The Milwaukie Arts Committee works to connect artists with resources, and to connect the community with art. The committee oversees many projects and programs, including the City Hall Sculpture Garden, public murals and City Hall Art Gallery, as well as several arts and culture related events throughout the year.

## AUDIT COMMITTEE

The Audit Committee ensures audits of the financial statements are completed annually, that oversight of the City's independent auditors is a shared responsibility between City management and the City Council, and that the City Council has the opportunity to assist City management in the review and selection of the City's independent auditor to ensure transparency in the management of city audits.

## BUDGET COMMITTEE

This committee works in accordance with the provisions of ORS 294.336 to review the annual city budget document, as prepared by the city budget officer, and recommend an approved budget to City Council for adoption.

## MILWAUKIE CENTER COMMUNITY ADVISORY BOARD

The Community Advisory Board advises City Council and North Clackamas Parks & Recreation District (NCPRD) about Milwaukie Center needs. The board weighs-in on capital improvement projects, programs and policies, and makes budget recommendations to NCPRD.

## CITIZENS UTILITY ADVISORY BOARD

This board was established for the purpose of advising City Council about the methods and manner in which city utility rates and capital improvements are both scheduled and carried out.

## COMMUNITY ACTION BOARD

This board is a county-level social needs group that advocates on issues related to people and households with low-incomes. The mayor of Milwaukie serves as a member and appoints an alternate to attend meetings in his or her absence.

## DESIGN & LANDMARKS COMMITTEE

The Design & Landmarks Committee was established to advise the Planning Commission and City Council about urban design, architectural and historic preservation activities including but not limited to design review of development proposals in the downtown, education and outreach, designation of historic districts and landmarks, and historic and cultural resources inventories.

## LIBRARY BOARD

This board was established for the purpose of advising City Council and Ledding Library staff about the needs of library patrons. They are also responsible for reviewing library policies and donations of personal property or funds to the library, as well as the operating budget for the Ledding Library.

## PARK & RECREATION BOARD

This board was created to focus greater energy and resources toward meeting community park and recreation needs through cooperative partnership between the city and North Clackamas Parks & Recreation District.



## PLANNING COMMISSION

The Planning Commission was established for the purpose of reviewing and advising on matters of planning and zoning according to the provisions of the Comprehensive Plan, Zoning Ordinance, and other planning implementation documents.

## PUBLIC SAFETY ADVISORY COMMITTEE

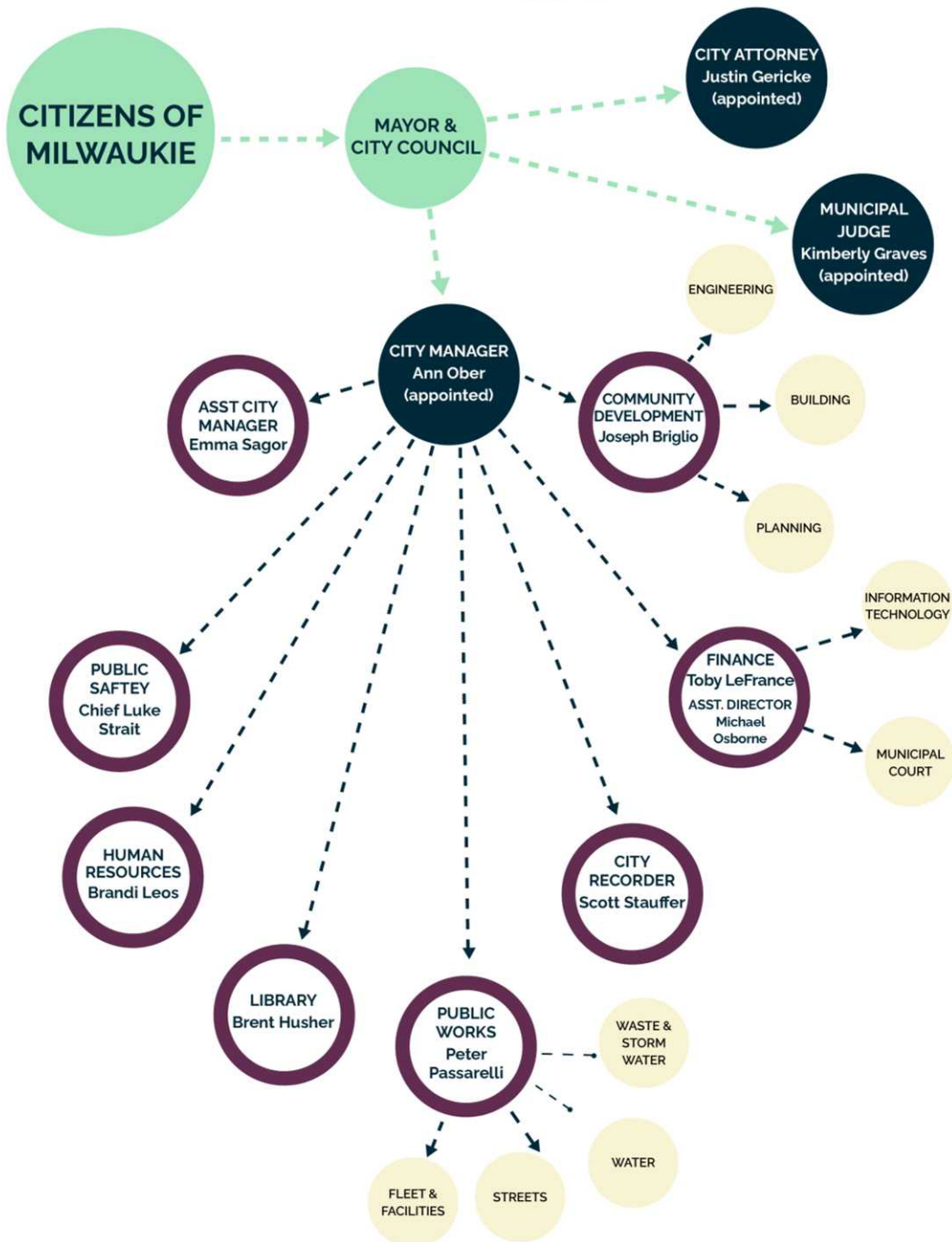
The Public Safety Advisory Committee makes recommendations about community livability concerns related to public safety in Milwaukie and its urban growth boundary. Committee members include representatives from each of the city's seven neighborhoods.

## TREE BOARD

The Tree Board maintains the city's plan for trees and shrubs in public places, and advises both City Council and North Clackamas Parks & Recreation District about tree-related policies.

## EQUITY STEERING COMMITTEE

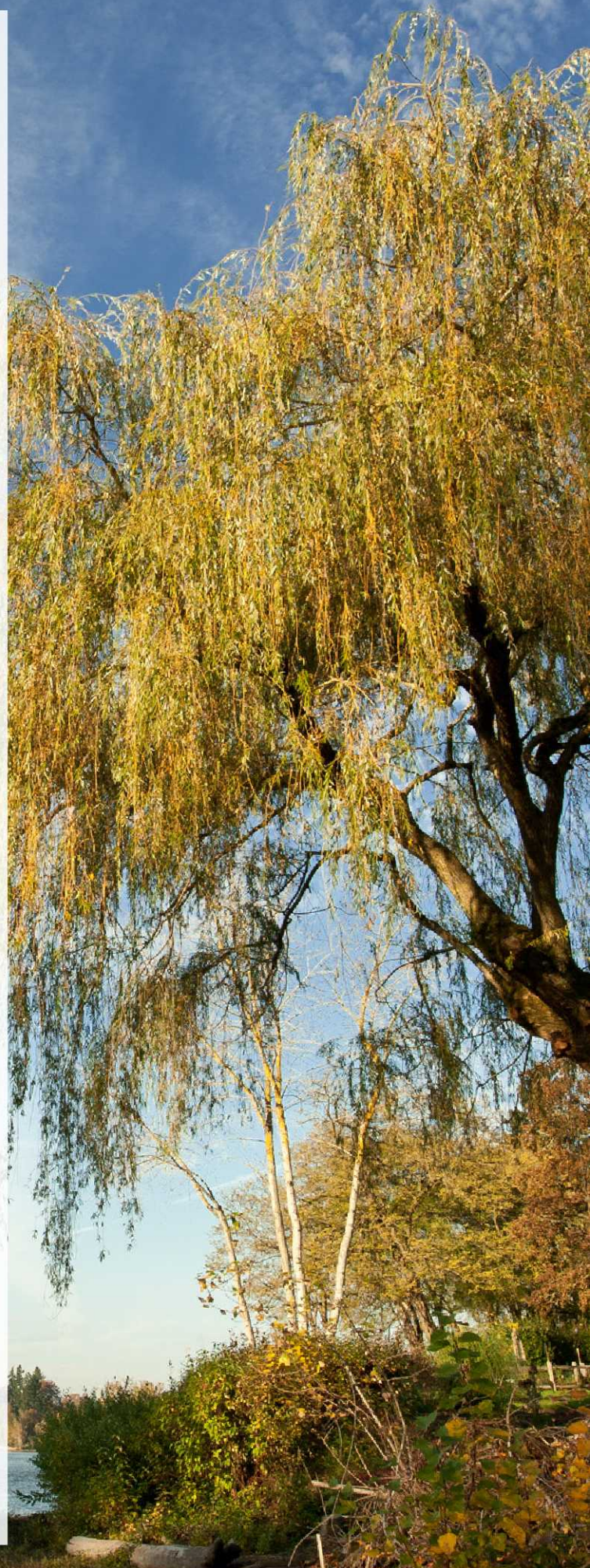
The Equity Steering Committee was established to hear directly from the BIPOC community about how to make the city a place that truly lives up to its vision of being safe and welcoming to all. Committee members are working to reduce inequalities in city services, recruit and retain city staff from communities of color and other marginalized communities and collaborate with local agencies and organizations to facilitate equality, justice, and inclusion actions.



# OVERVIEW OF AUDITED RESULTS

Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the city for the fiscal year ended June 30, 2023. Information in the MD&A is based on currently known facts, decisions, and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

- The city's assets totaled \$190.5 million on June 30, 2023, consisting of \$99.5 million in capital assets, \$43.3 million in unrestricted cash and investments, \$42.7 million in restricted cash and investments, and \$5 million in other assets. Total assets increased by \$24.1 million (14%) from the previous fiscal year.
- The city's liabilities totaled \$88.6 million on June 30, 2023, consisting of \$77.1 million in long-term liabilities and \$11.5 million in accounts payable and other liabilities. Total liabilities increased by \$26.4 million (42%) from the previous fiscal year.
- The assets of the city exceeded its liabilities by \$101.8 million at the close of fiscal year 2023. The city's net position invested in capital assets (\$62.7 million) and restricted for capital projects, building operations, library services, debt service, and public safety (\$45.0 million).
- The deferred outflows of resources for the city decreased to \$7.4 million, compared to \$7.7 million in fiscal year 2022. The primary decrease relates to pension and Other Postemployment Benefits (OPEB) assets as the return on investments within their respective plans was less than originally forecasted.
- The deferred inflows of resources for the city decreased to \$6.3 million, compared to \$10.9 million in fiscal year 2022. The primary decrease relates to pension and OPEB liabilities as the change in proportionate share was higher for the city in 2023.
- For its governmental activities, the city generated \$5.5 million in charges for services and received \$5.6 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$33.3 million for the year, resulting in a net expense of \$22.1 million. The governmental activities also received \$16.7 million in general revenues and \$4.4 million in transfers, resulting in a decreased net position of \$1 million.
- For its business-type activities, the city generated \$19.0 million in charges for services to fund direct expenses of \$12.3 million. Business-type activities had transfers of \$4.4 million. Business-type activities had an increase in net position of \$3.0 million.
- Fund balance in the city's governmental funds was \$58.1 million on June 30, 2023, an increase of \$21.9 million from the previous fiscal year.



## STATEMENT OF NET POSITION

|                               | AS OF<br>JUNE 30, 2023                | AS OF<br>JUNE 30, 2022 | AS OF<br>JUNE 30, 2021 |
|-------------------------------|---------------------------------------|------------------------|------------------------|
|                               | <b>ASSETS</b>                         |                        |                        |
| Current assets & other assets | \$90,953,250                          | \$66,341,484           | \$58,211,500           |
| Capital assets                | 99,499,033                            | 100,046,127            | 98,803,152             |
| <b>TOTAL ASSETS</b>           | <b>190,452,283</b>                    | <b>166,387,611</b>     | <b>157,014,652</b>     |
|                               | <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                        |                        |
| Pension • OPEB                | 7,416,172                             | 7,709,862              | 7,345,748              |
|                               | <b>LIABILITIES</b>                    |                        |                        |
| Current liabilities           | 11,515,680                            | 10,480,636             | 6,482,919              |
| Long-term liabilities         | 77,125,941                            | 51,745,156             | 62,693,157             |
| <b>TOTAL LIABILITIES</b>      | <b>88,641,621</b>                     | <b>62,225,792</b>      | <b>69,176,076</b>      |
|                               | <b>DEFERRED INFLOWS OF RESOURCES</b>  |                        |                        |
| Pension • OPEB • Leases       | 6,306,421                             | 10,883,641             | 944,333                |
| <b>NET POSITION</b>           | <b>\$102,914,113</b>                  | <b>\$100,988,040</b>   | <b>\$94,239,991</b>    |

## STATEMENT OF ACTIVITIES

|  | FISCAL YEAR<br>2023  | FISCAL YEAR<br>2022 | FISCAL YEAR<br>2021 |
|--|----------------------|---------------------|---------------------|
| Revenues                               | \$30,206,635         | \$34,308,160        | \$50,551,883        |
| Expenses                               | (42,601,841)         | (42,454,377)        | (50,491,064)        |
| Increase (decrease) in net position    | \$15,395,206         | 8,146,217           | 60,819              |
| <b>Net position, beginning of year</b> | <b>\$100,988,040</b> | <b>\$94,239,991</b> | <b>\$94,239,991</b> |

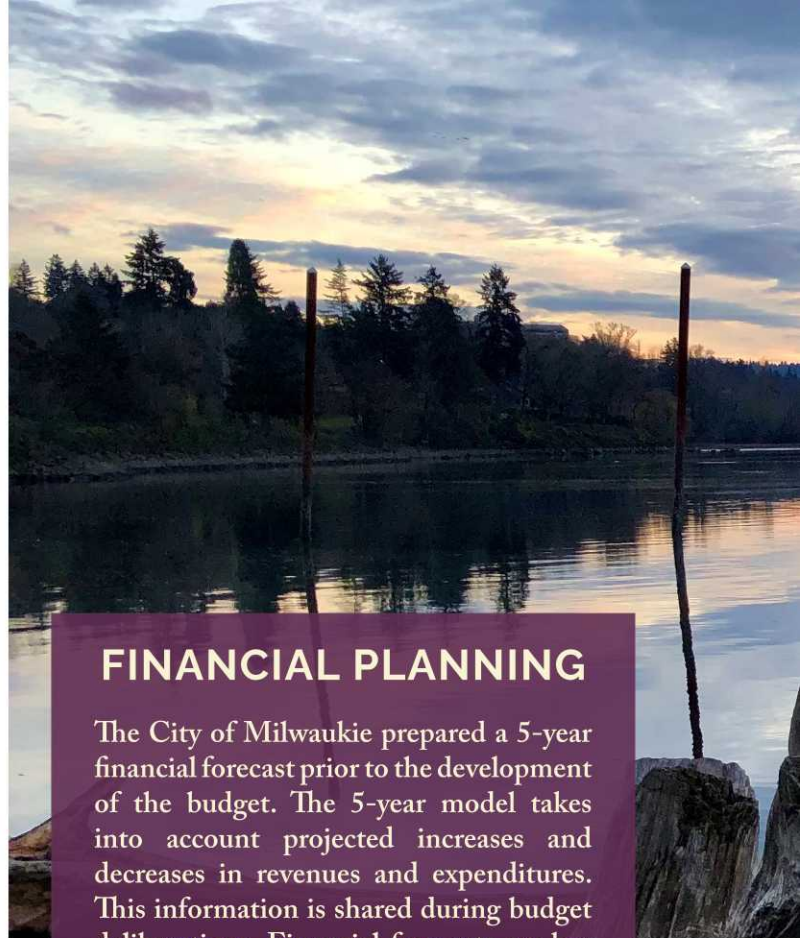
# FINANCIAL POLICIES

The City of Milwaukie is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of financial policies is to enable the city to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by City Council as the basic framework for overall financial management of the city, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Provide an adequate financial base to sustain the desired level of municipal services to maintain the social well-being and physical conditions of the city.
2. Deliver cost-effective and efficient services to community members.
3. Provide and maintain essential public facilities, utilities and capital equipment.
4. Protect and enhance the city's credit rating to obtain the lowest cost of borrowing and assure taxpayers and the financial community that the city is well-managed and financially sound.
5. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the requirements of the community, and respond to changes as they affect the city's residents and businesses.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, Governmental Accounting Standards Board and other professional standards.
7. Fully comply with finance related legal mandates, laws and regulations.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, accounting and financial reporting, reserves and internal controls. These policies are reviewed annually by management, the Budget Committee, and City Council and amended as necessary, as part of the budget process.

To review all financial policies for the city, see page 17 of the *adopted budget for the 2023-2024 biennium* at [www.milwaukieoregon.gov/finance/budgets](http://www.milwaukieoregon.gov/finance/budgets).



## FINANCIAL PLANNING

The City of Milwaukie prepared a 5-year financial forecast prior to the development of the budget. The 5-year model takes into account projected increases and decreases in revenues and expenditures. This information is shared during budget deliberations. Financial forecasts are key to strategizing, studying different financial outcomes, modeling demographic trends, anticipating changes in revenue streams, and forecasting utility rates.

The Budget Committee unanimously approved the 2023-2024 Biennial Budget, which was then adopted by City Council on June 7, 2022. Since the adoption of the budget, there has been one supplemental budget. A supplemental requires a hearing because it is adjusting appropriations by more than 10% of the original adoption. The 2023-2024 supplemental was related to changes in financial planning for police, new city hall project, and affordable housing programs. Prior biennial budgets were unanimously approved by the Budget Committee and subsequently adopted by City Council. Each biennium budget had at least two supplemental budgets that were presented to the budget committee prior to adoption by City Council. Those supplementals are typically due to staffing changes or increases related to capital expenditures. To best illustrate trends, below are the fiscal year budget amounts for the most recently adopted budget, including supplemental budgets, along with comparative fiscal years.



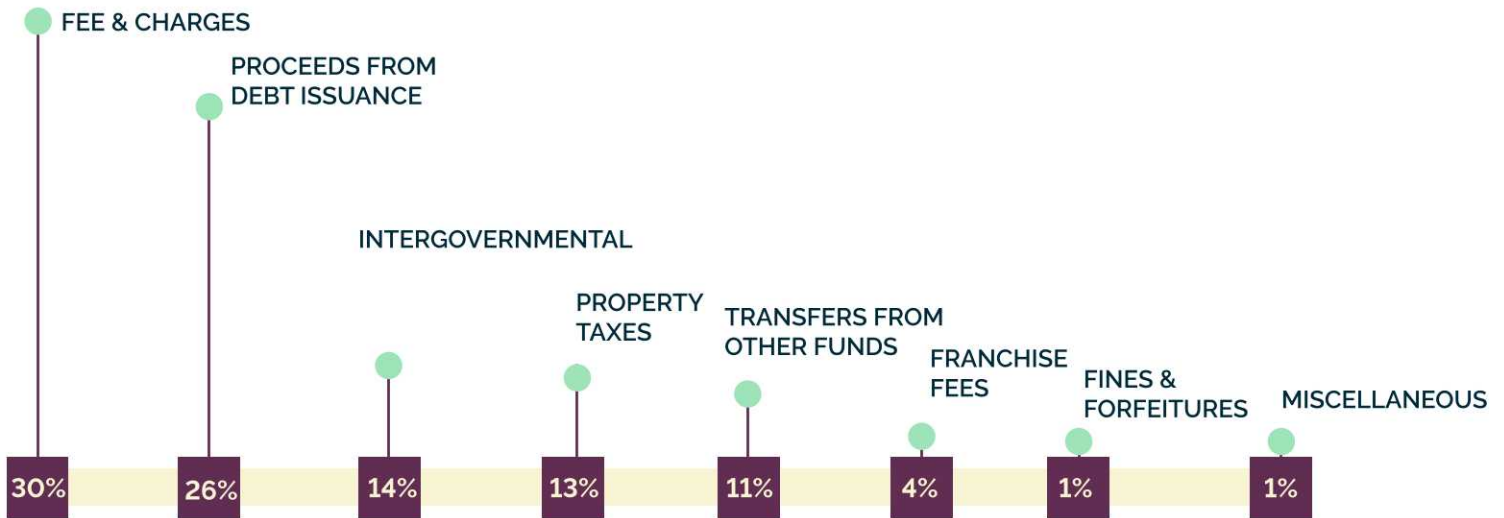
## BUDGET OVERVIEW

|                                    | FISCAL YEAR<br>2023  | FISCAL YEAR<br>2022  | FISCAL YEAR<br>2021 | FISCAL YEAR<br>2020 |
|------------------------------------|----------------------|----------------------|---------------------|---------------------|
| Personnel Services                 | \$21,399,000         | \$20,950,000         | \$19,751,000        | \$19,703,000        |
| Materials & Services               | 17,280,000           | 14,140,000           | 13,691,000          | 13,589,000          |
| Debt Service                       | 2,959,000            | 2,827,000            | 3,989,000           | 3,344,000           |
| Transfers                          | 8,695,000            | 7,770,000            | 7,523,000           | 7,820,000           |
| <b>ANNUAL<br/>OPERATING BUDGET</b> | <b>50,333,000</b>    | <b>45,687,000</b>    | <b>44,954,000</b>   | <b>44,456,000</b>   |
| Capital Outlay                     | 29,742,000           | 15,885,000           | 18,168,000          | 24,547,000          |
| Reserves                           | 57,552,000           | 50,032,000           | 34,937,000          | 13,483,000          |
| <b>TOTAL CITY BUDGET</b>           | <b>\$137,628,000</b> | <b>\$111,604,000</b> | <b>\$98,059,000</b> | <b>\$82,486,000</b> |

**Note:** The budgeted data presented is projected data which may differ significantly from the Generally Accepted Accounting Principles derived data in the Annual Comprehensive Financial Report.

# WHERE THE CITY'S MONEY COMES FROM

The City of Milwaukie budgets at the “fund” level. The city maintains nine distinct funds to account for governmental services. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives.



## MAJOR REVENUE TYPES

### Fees & Charges (30%)

Charges for water, wastewater, stormwater, and street maintenance are charged to all users in Milwaukie. The fees for water, sewer, wastewater, stormwater, and street maintenance are established through the City fees and charges resolution; this resolution is updated each year. City Council approves utility rates based on costs to provide services.

### Property Taxes (13%)

Milwaukie’s permanent tax rate is applied to the projected taxable assessed value of property to generate revenues to support core city operations. The city assumes a 94% collection rate for property tax revenue, so the budgeted total amount of property taxes is approximately 94% of the total calculated property tax revenue. Taxable assessed values of existing property are limited to an increase of three percent per year; value added to a community via new construction increases the assessed value more than the three percent growth rate limited by Measure 50.

The city passed Ordinance No. 1958 in February 2008 following the annexation Ballot Measure 3-166 where the voters authorized the annexation of fire services into Clackamas Fire District No. 1 (CFD). This ordinance reduces the city’s permanent tax rate of \$6.5379 per \$1,000 of assessed value by the permanent rate of the Fire District, equating to \$2.4012 offset by its annual bonded debt rate

until then existing bonds were paid off in fiscal year 2014-15. Accordingly, the actual property tax rate levied by the city is its permanent tax rate of \$6.5379 less CFD’s permanent rate of \$2.4012 or \$4.1367.

### Transfers from Other Funds (11%)

Transfers from other funds occur when revenues are transferred between funds; revenue is received by a fund providing an internal service from a fund receiving the service, where the cost of the service is shown as an expense. All city services that receive reimbursement charge revenue are consolidated into the General Fund. The amount that other funds are charged for reimbursement costs is based on individual metrics identified for each city service. The city calculates inter-fund reimbursement charges when services are provided to another fund. The cost of these services is based on a cost allocation methodology, which assumes that the services provided have value, and that value is shown as a reimbursement amount.

### Intergovernmental (14%)

State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for State Revenue Sharing projections. Pursuant to ORS 221.770, the City of Milwaukie must elect to receive its proportionate share of the revenues to be apportioned

to the cities by the State of Oregon for the fiscal year. Further, ORS 221.760 provides that cities located in a county having more than 100,000 inhabitants, according to the most recent federal decennial census, can disburse state shared revenue funds only if the city provides four or more of the following services: police protection; fire protection; street construction, maintenance, and lighting; sanitary sewer; storm sewers; planning, zoning, and subdivision control; one or more utility services.

### Franchise Fees (4%)

The city receives franchise fees for the use of public rights of way within Milwaukie for utility, solid waste and recycling collection, and similar services. Fees are paid for the right to this access.

### Fines & Forfeitures (1%)

Proceeds from fines and forfeitures are collected from traffic, parking and other city-issued citations.

### Miscellaneous (1%)

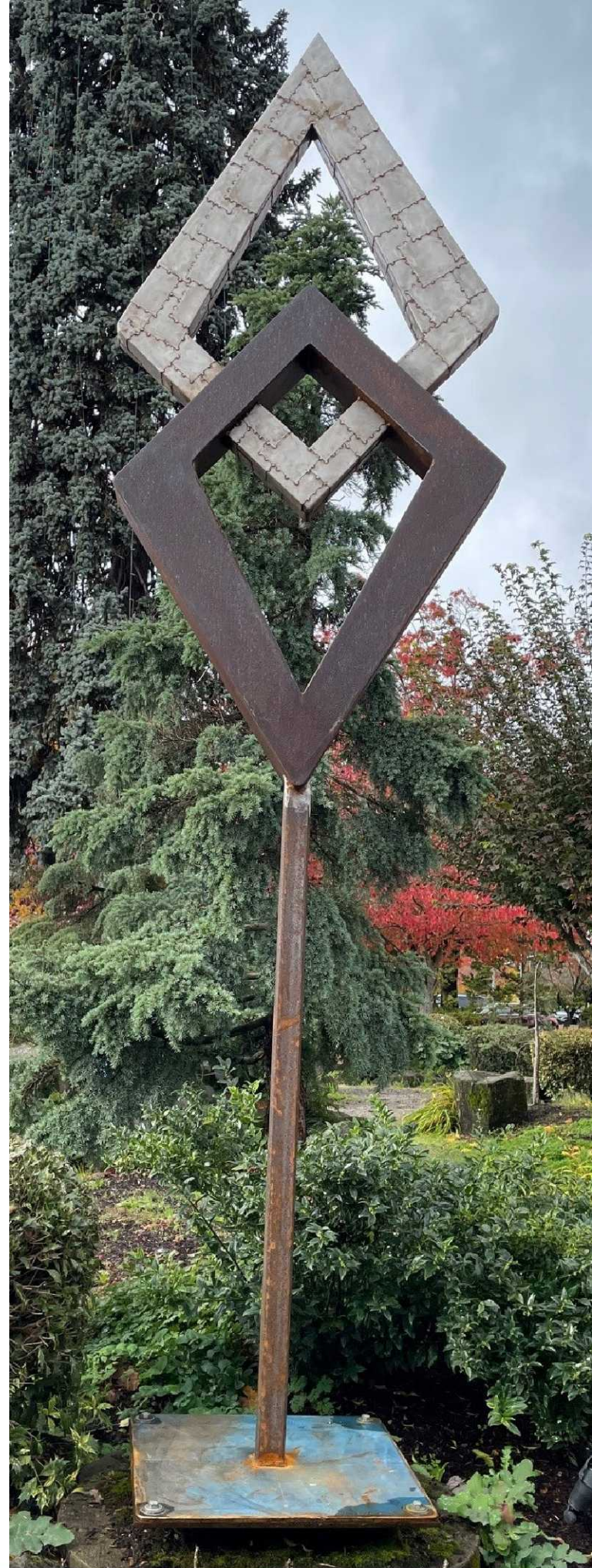
This revenue includes investment interest, recovery of prior period expenses and the sale of assets.

### Proceeds from Debt Issuance (26%)

Proceeds from debt include issuing bonds and receiving loans to finance the major initiatives approved by the city. Initiatives include transportation upgrades, purchasing a new city hall, and building a new library. The city is able to achieve lower finance costs for these initiatives based on a strong credit rating of Aa2.

## MAJOR REVENUE TYPES BREAKDOWN

| TYPE                        | BUDGET<br><i>(in thousands)</i> | %           |
|-----------------------------|---------------------------------|-------------|
| Fees & Charges              | \$ 25,003                       | 30%         |
| Intergovernmental           | 11,666                          | 14%         |
| Property Taxes              | 10,462                          | 13%         |
| Transfers from Other Funds  | 8,695                           | 11%         |
| Franchise Fees              | 3,888                           | 5%          |
| Fines & Forfeitures         | 407                             | 1%          |
| Miscellaneous               | 929                             | 1%          |
| Proceeds from Debt Issuance | 21,000                          | 26%         |
| <b>TOTAL</b>                | <b>\$ 82,050</b>                | <b>100%</b> |

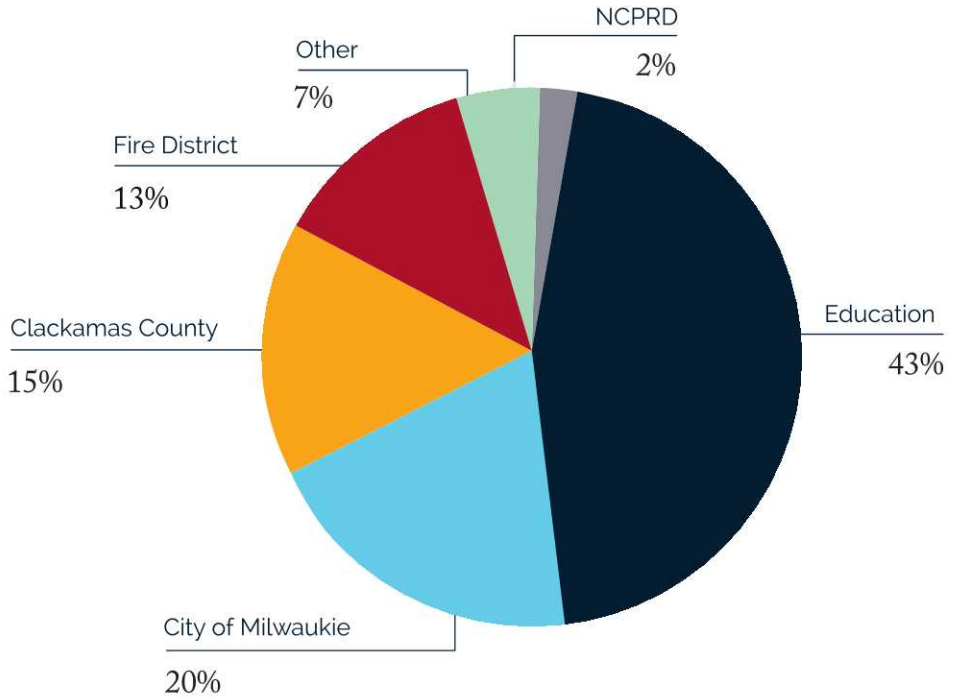


# WHERE YOUR TAXES GO

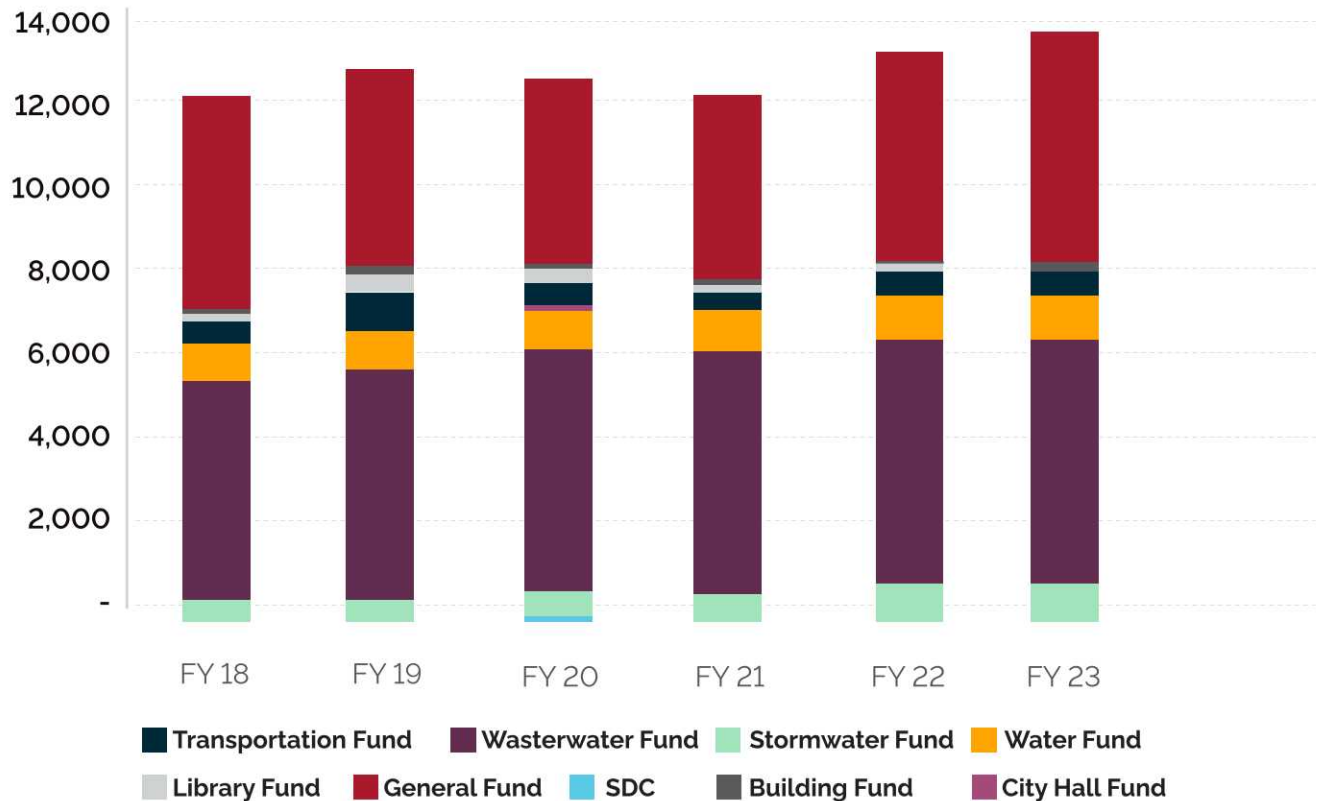
## MILWAUKIE PROPERTY TAX DOLLARS

Clackamas County assesses property taxes on behalf of the county, schools, special districts, and the City of Milwaukie on a consolidated property tax bill. Of this tax bill, 20%\* of the total is allocated to the City of Milwaukie. Of every dollar paid, \$0.20 goes to the city. For a complete breakdown of how property taxes are distributed throughout the county, review the pie chart to the right.

\* Source: Clackamas County Rate Book



## MATERIALS & SERVICES BY FUND (in thousands)





# HOW THE CITY SPENDS MONEY

The City of Milwaukie plans for expenditures using several short and long-range planning tools. Five-year financial forecasts, prior to the development of the budget, guide short-term spending. The five-year forecasting model anticipates projected increases and decreases in revenues and expenditures. Fifty five percent of total expenditures are represented by Personnel Services and Materials & Services. These requirements relate to the people who provide city services and the materials they need to complete their job requirements. Citywide, budgeted requirements are expected to increase for inflation going forward.

## PERSONNEL SERVICES (29%)

Citywide, personnel services requirements increased in the 2021-2022 biennium due primarily to the addition of full-time equivalent positions and increasing benefit costs.

## CAPITAL OUTLAY (35%)

The Capital Outlay requirements decreased from prior year due to timing and planning of infrastructure projects over the 2021-2022 biennium.

## MATERIALS & SERVICES (21%)

Citywide, Materials & Services requirements stayed flat year over year. The 2021-2022 biennium amounts are identified using an inflationary cost increase from the prior biennium.

## DEBT SERVICE (5%)

Biennial debt service requirements are based on known obligations of the city.

## TRANSFERS TO OTHER FUNDS (10%)

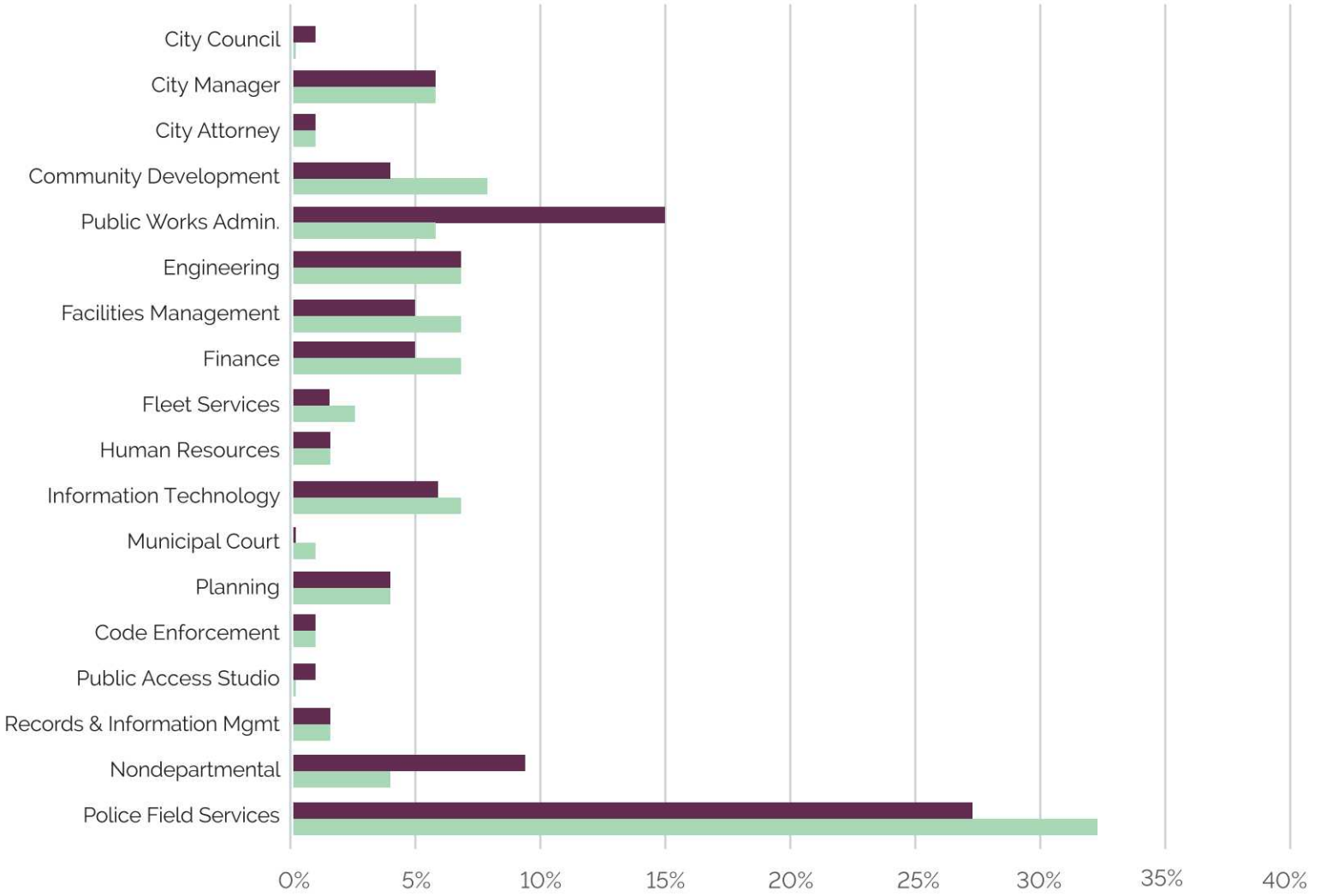
Transfers represent transfers to account for the support services costs of General Fund departments.

## TOTAL BUDGETED FY23 EXPENDITURES



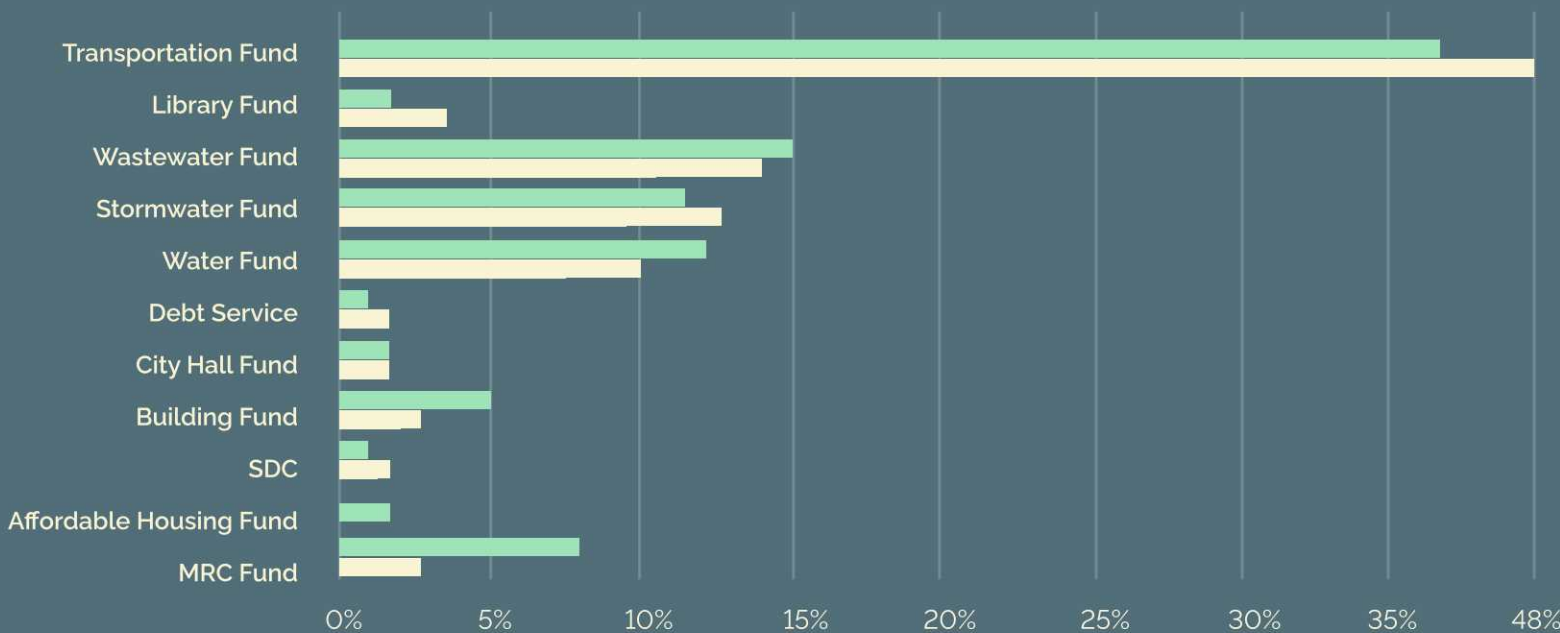
# EXPENDITURES BY FUNCTION/DEPARTMENT

FY 23 ACTUAL FY 22 ACTUAL



# ALL CITY EXPENDITURES

FY 23 100% FY 22 100%



## **BUSINESS-TYPE ACTIVITIES**

Activities financed in whole or in part by fees charged to external parties for goods or services.

## **CAPITAL ASSETS**

Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in operations, that have initial useful lives extending beyond one year with an initial cost of more than \$10,000.

## **GOVERNMENTAL ACTIVITIES**

Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues.

## **GOVERNMENTAL FUNDS**

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.



## **CAPITAL GRANT**

Grant received to support acquisition of capital assets.

## **CHARGES FOR SERVICES**

Includes a wide variety of fees charged for services provided to the public and other agencies.

## **DEFERRED INFLOWS OF RESOURCES**

Refers to an acquisition of an asset that is applicable to a future reporting period.

## **DEFERRED OUTFLOWS OF RESOURCES**

Refers to a consumption of an asset that is applicable to a future reporting period.

## **FUND BALANCE**

The net ending balance of a fund's financial resources that are spendable or available for appropriation.

## **NET INVESTMENT IN CAPITAL ASSETS**

Component of net position consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction or improvement of those assets.

## **OPERATING GRANT**

Grant received to support operations.

## **RESTRICTED NET POSITION**

Component of net position calculated by reducing the carrying value of restricted assets by amounts repayable from those assets, excluding capital-related debt.

## **UNRESTRICTED NET POSITION**

The portion of net position that is neither restricted nor invested in capital assets.



# CITY OF MILWAUKIE

## FINANCE DEPARTMENT

**Finance Director** Michael Osborne • [Osbornem@milwaukieoregon.gov](mailto:Osbornem@milwaukieoregon.gov)

10501 SE Main Street Milwaukie, OR 97222 • 503.786.7555 • [www.milwaukieoregon.gov/finance](http://www.milwaukieoregon.gov/finance)