

# 2019

MILWAUKIE, OREGON

## POPULAR ANNUAL FINANCIAL REPORT

*Fiscal Year Ended June 30, 2019*



# CITY OF MILWAUKIE



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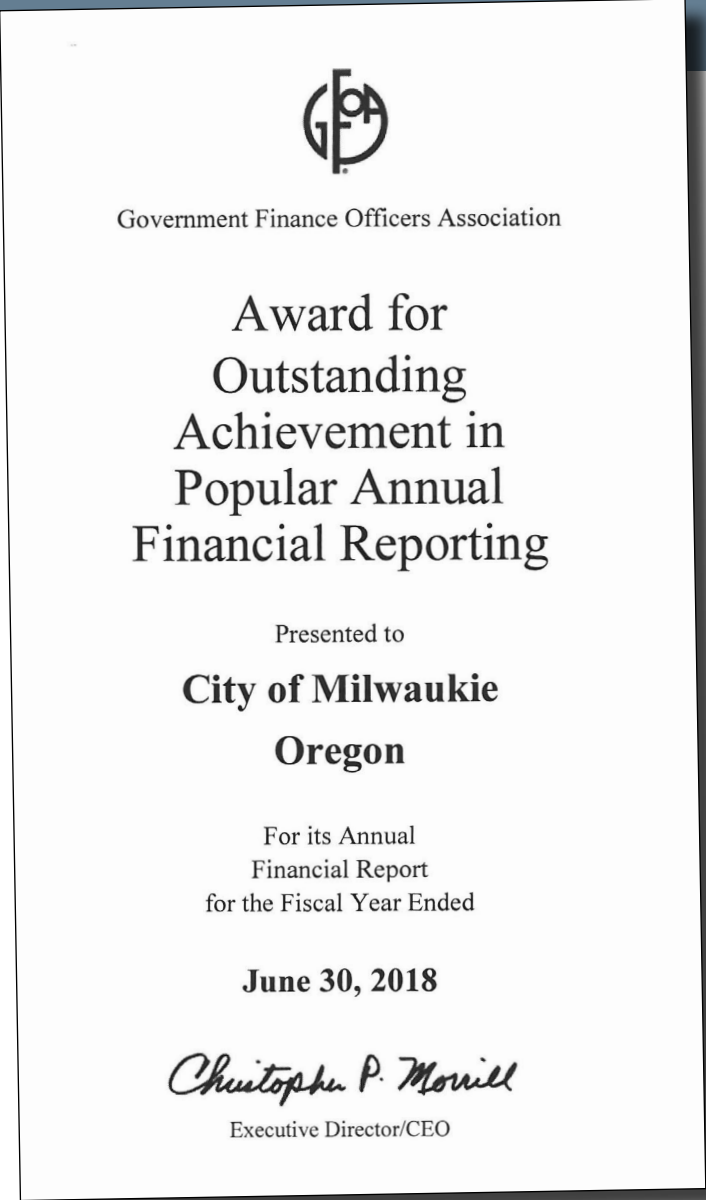
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The information in this report is drawn from the Comprehensive Annual Financial Report (CAFR)for the fiscal year ended June 30, 2019. Please review the CAFR online, or email Finance Director Bonnie Dennis at [DennisB@milwaukieoregon.gov](mailto:DennisB@milwaukieoregon.gov) to request a copy or with questions about this report.



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 Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019.

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 Comprehensive Annual Financial Report (CAFR). 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 CAFR 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 CAFR. 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 CAFR, 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, Bonnie Dennis ([dennisb@milwaukieoregon.gov](mailto:dennisb@milwaukieoregon.gov)).

Sincerely,



Ann Ober  
City Manager



MILWAUKIE LEADERSHIP



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. The City continues to provide this *Popular Annual Financial Report*, which is published as part of the Finance Department's ongoing mission to provide the utmost transparency and understanding of Milwaukie's finances.

Elected Officials as of June 30, 2019



**MAYOR**  
Mark Gamba  
12/31/22



**COUNCILOR NO. 1**  
Angel Falconer  
12/31/20



**COUNCILOR NO. 2**  
Lisa Batey  
12/31/22



**COUNCILOR NO. 3**  
Wilda Parks  
12/31/20



**COUNCILOR #4**  
Kathy Hyzy  
12/31/22



Current Appointed Officials

**City Manager** Ann Ober  
**City Attorney** Justin Gericke  
**Municipal Court Judge** Kimberly Graves

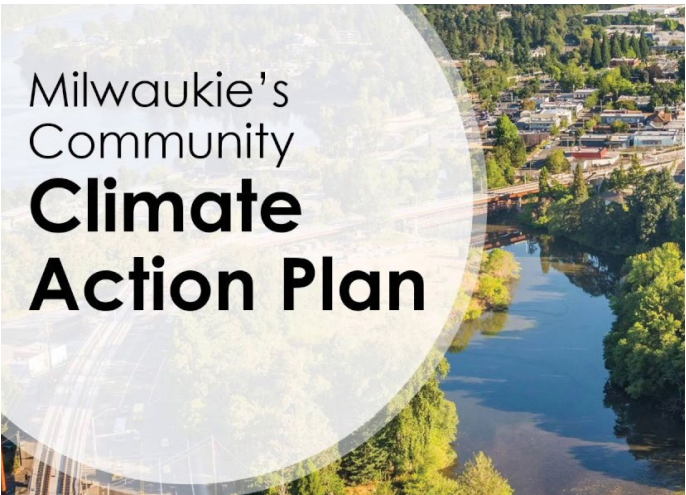
CITY COUNCIL GOALS & PRIORITIES

On April 2, 2019, City Council adopted revised goals for 2019-2020. Below is a summary of the revised goals. To view the full text of the revised goals resolution (R26-2019), visit [www.milwaukieoregon.gov/resolution-26-2019-adopting-council-goals-2019-2020](http://www.milwaukieoregon.gov/resolution-26-2019-adopting-council-goals-2019-2020). To view the latest updates about the city's efforts to pursue these goals, visit [www.milwaukieoregon.gov/meetings](http://www.milwaukieoregon.gov/meetings).



GOAL 1 HOUSING

Whereas, Milwaukie is in a housing state of emergency; and the Draft Milwaukie 2040 Vision calls for all residents to have affordable housing; and Milwaukie and the Portland Metropolitan region are currently experiencing record low rental vacancies and extreme housing affordability issues generally, which are causing displacement, disruption of lives and in some cases homelessness. Therefore, the city manager is directed to take every opportunity to address this housing crisis, including finding and working with partners to add new affordable housing units, and to encourage the private market to develop housing options that are affordable for Milwaukians at every income level and stage of life.



GOAL 2 CLIMATE CHANGE ACTION

WHEREAS, Climate Change is the single largest threat to the future citizens of Milwaukie; and the Draft Milwaukie Vision calls for Milwaukie to become a Net Zero city by the year 2040 as our contribution towards forestalling the worst effects of climate change; and the city has initiated the process of drafting and adopting a Climate Action Plan (CAP). Therefore, the city will take aggressive steps to minimize climate change and increase climate-related resilience by implementing, in fiscally appropriate ways, specific actions identified in the city's Climate Action Plan that provide the greatest impact possible given the city's financial resources. In its actions and planning, the city will strive to be a model for climate change reduction for both its residents and other cities.



GOAL 3 COMMUNITY ENGAGEMENT

WHEREAS, the Milwaukie Community Vision strongly encourages engagement and participation by all and nurtures a deep sense of community through celebrations and collective action.

Therefore, be it resolved by the City Council of the City of Milwaukie, Oregon that the city manager is hereby directed to prioritize ongoing community engagement efforts in Milwaukie, invest in further developing the skills among staff necessary for effective community engagement, and to seek out future opportunities for Milwaukie's residents to participate and contribute to making this a place we are proud to call home.



ABOUT MILWAUKIE

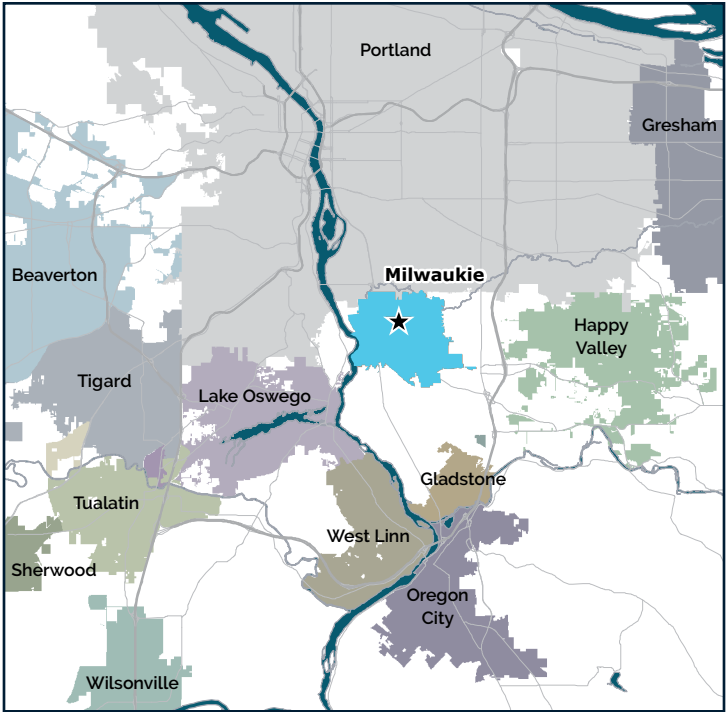
The City of Milwaukie, located within miles of downtown Portland, offers a small town feel with easy access to Portland and regional activities and services. Within the City, residents regularly engage in City activities as board members, volunteers or simply as participants in a myriad of events organized by local residents and organizations. The City's estimated population is 20,528.

Known as the "Dogwood City of the West," Milwaukie's economy is linked with the entire Portland Metropolitan area. The downtown area of Milwaukie is undergoing a revival in which new apartments, retail space and a new library are under construction.

Milwaukie provides a clean environment, good transportation, schools, health care centers, and many cultural opportunities. The Sunday Farmers' Market, Art a la Carte on the first Friday of the month, and the on-going poetry series are just a few of the many cultural offerings in the City.

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 and Recreation District provides parks and recreation services to the community. 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.



FY 2019 FACT	FIGURE
City Property Tax Rate:	\$4.1367/\$1,000 TAV
City Bonded Debt Tax Rate:	\$0.4108/\$1,000 TAV
Total Property Tax Rate:	\$21.5814/\$1,000 TAV
City Share of Total:	21%
Total Annual Budget:	\$106 million
Population:	20,528
Employees:	150 FTE
Outstanding Debt:	\$37.2 million
Bond Rating:	Aa2*
City Maintained Roads:	159 lane miles
Building Permits:	261
Sewer Miles:	79
Water Lines Maintained:	100
Number of Traffic Citations:	4,288
Avg. Library Circulation/Capita:	12.39
Unemployment Rate:	4.3%

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

RANK	PRINCIPAL EMPLOYERS	EMPLOYEES
1	Blount, Inc.	874
2	Providence Milwaukie Hospital	395
3	North Clackamas School District	385
4	PCC Structural Inc.	272
5	OECO LLC	256
6	ODS (Moda)	198
7	Nature Bake	196
8	Consonus Pharmacy Services	150
9	City of Milwaukie	150
10	Alpine Food Distributing	129

2019 DOWNTOWN MILWAUKIE: REINVEST, REIMAGINE, REVITALIZE



CAREFREE SUNDAY

A new annual tradition was proposed in the 2019-2020 Biennium budget where on August 4th the city hosted it's first CareFree Sunday event. Almost four miles of streets were closed to cars so that Milwaukians and neighbors could enjoy biking, walking, rolling, and connecting with their community for part of the day. Participants enjoyed live music, roller skating, obstacle courses, bike decorating, and free BBQ.



WINTER SOLSTICE

Milwaukie's annual Winter Solstice celebration was held on Saturday, December 21st at Milwaukie Bay Park. Milwaukians warmed by a bonfire while drinking craft beer or hot cocoa and eating tasty treats while viewing the Christmas Ships (a Northwest tradition since 1954) featuring the combined Columbia River and Willamette River fleets. Dozens of privately owned boats are decorated with Christmas lights and are paraded along the Willamette river and can be viewed from the Milwaukie Bay Park.



# BOARDS, COMMITTEES & COMMISSIONS



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

### Arts Committee

The Arts Committee works to connect artists with resources and to connect the community with art. The committee has enriched Milwaukie with the City Hall Sculpture Garden, a comic book art show, new murals, and many smaller projects.

### 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

The Budget Committee is established in accordance with the provisions of ORS 294.336 to review the annual city budget document as prepared by the city budget officer and to recommend an approved budget to the City Council for adoption.

### Milwaukie Center/Community Advisory Board

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

### Citizens Utility Advisory Board (CUAB)

The CUAB was established for the purpose of advising the City Council on the methods and manner in which city utility rates and capital improvements are scheduled and carried out.

### Community Action Board (CAB)

The CAB 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 CAB member and appoints an alternate to attend meetings in his or her absence.

# BOARDS, COMMITTEES & COMMISSIONS (CONTINUED)

### Design and Landmarks Committee (DLC)

The DLC was established to advise the Planning Commission and City Council on 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.

### Kellogg Good Neighbor Committee (KGNC)

The KGNC's purpose is to recommend to the City Council how the "good neighbor fund" should be prioritized and spent. This fund was established through the Intergovernmental Agreement (IGA) between the city and Clackamas County Service District #1 for the provision of wastewater treatment services.

The KGNC has recommended to provide financial support for the Riverfront Park area adjacent to the Kellogg Wastewater Treatment Plant, oversee the completion of an odor study, and implemented a landscaping plan for the area around the plant.

### Library Board

The public library board was established for the purpose of advising City Council and Ledding Library staff regarding library patrons' needs. The board shall be responsible for, but not limited to, the following activities:

- Reviewing and commenting on library rules and policies
- Commenting on the acceptance of donations of personal property or funds to the library
- Commenting on the annual operating budget for the library
- Commenting on sites for public library buildings or for location of library facilities
- Other activities Council may assign

### Park and Recreation Board (PARB)

PARB was created to focus greater energy and resources toward meeting community park and recreation needs through cooperative partnership with the city and the North Clackamas Parks & Recreation District (NCPRD).

### 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 (PSAC)

The PSAC advises and makes recommendations on community livability concerns related to public safety and neighborhood livability in Milwaukie and its Urban Growth Boundary. PSAC 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 City Council and NCPRD on tree-related policies.





OVERVIEW OF AUDITED RESULTS

The following summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2019 Comprehensive Annual Financial Report (CAFR):

- The City's assets totaled \$146.7 million at June 30, 2019, consisting of \$82.7 million in capital assets, \$29.8 million in unrestricted cash and investments, \$29.0 million in restricted cash and investments, and \$5.2 million in other assets. Total assets increased by \$28.8 million (24%) from the previous fiscal year.
- The City's liabilities totaled \$61.6 million at June 30, 2019 consisting of \$53.6 million in long-term liabilities and \$7.9 million in accounts payable and other liabilities. Total liabilities increased by \$23.0 million (59%) from the previous fiscal year.
- The assets of the City exceeded its liabilities by \$85.1 million at the close of fiscal year 2019. Unrestricted net position totaled \$33.5 million with the remainder of the City's net position invested in capital assets (\$48.6 million) and restricted for capital projects, building operations, library services, debt service, and public safety (\$7.9 million).
- For its governmental activities, the City generated \$15.5 million in charges for services and received \$3.1 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$30.3 million for the year, resulting in a net expense of \$11.7 million. The City also received \$14.7 million of general revenues and the City increased its net position by \$2.6 million.
- For its business-type activities, the City generated \$16.8 million in charges for services to fund direct expenses of \$13.8 million. Business-type activities had an increase in net position of \$3.4 million.
- Fund balance in the City's governmental funds was \$40.8 million at June 30, 2019, an increase of \$15.6 million from the previous fiscal year.



BALANCE SHEET // STATEMENT OF NET POSITION

The Statement of Net Position reflects a healthy financial condition as of June 30, 2019. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$89.9 million at the close of fiscal year 2019. This balance sheet is presented as a high-level summary overview of net position.

	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017
<b>Assets</b>			
Current asset and other assets	\$ 63,940,833	\$ 44,713,222	\$ 39,528,056
Capital assets	82,732,496	73,168,912	69,610,070
Total assets	146,673,329	117,882,134	95,992,619
<b>Deferred Outflows of Resources</b>			
Pension / OPEB	6,098,118	5,056,085	8,030,806
<b>Liabilities</b>			
Current liabilities	7,915,420	5,561,919	5,930,871
Long-term liabilities	53,641,424	33,006,817	33,344,654
Total liabilities	61,556,844	38,568,736	19,415,213
<b>Deferred Inflows of Resources</b>			
Pension / OPEB	1,232,450	391,315	358,861
<b>Net Position</b>	<b>\$ 89,982,153</b>	<b>\$ 83,978,167</b>	<b>\$ 77,534,546</b>

INCOME STATEMENT // STATEMENT OF ACTIVITIES

The Statement of Activities reports all financial activity for the fiscal year ended June 30, 2019. This statement presents high-level summary information about how the City's net position changed during fiscal year 2019 as a result of all financial activity (i.e. revenues and expenses).

	FY 2019	FY 2018	FY 2017
Revenues	\$ 50,128,819	\$ 47,267,610	\$ 40,818,099
Expenses	(44,124,833)	(40,823,989)	(39,527,072)
Increase (Decrease) in net position	6,003,986	6,443,621	1,291,027
Net position, beginning of year	83,978,167	77,534,546	76,243,519
Net position, end of year	\$ 89,982,153	\$ 83,978,167	\$ 77,534,546

For more detail, visit [www.milwaukieoregon.gov/finance](http://www.milwaukieoregon.gov/finance) for the City's complete Comprehensive Annual Financial Report.



FINANCIAL POLICIES

Purpose

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 Fiscal Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the 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 citizens.
- 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, the 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 of Milwaukie, please see page 18 of the *Milwaukie Adopted Budget for the 2019-2020 Biennium*, available online at [www.milwaukieoregon.gov/finance/budgets](http://www.milwaukieoregon.gov/finance/budgets).

FINANCIAL PLANNING

The City of Milwaukie prepared a five-year financial forecast prior to the development of the budget. The five-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.



CITY BUDGET: FINANCIAL PLAN



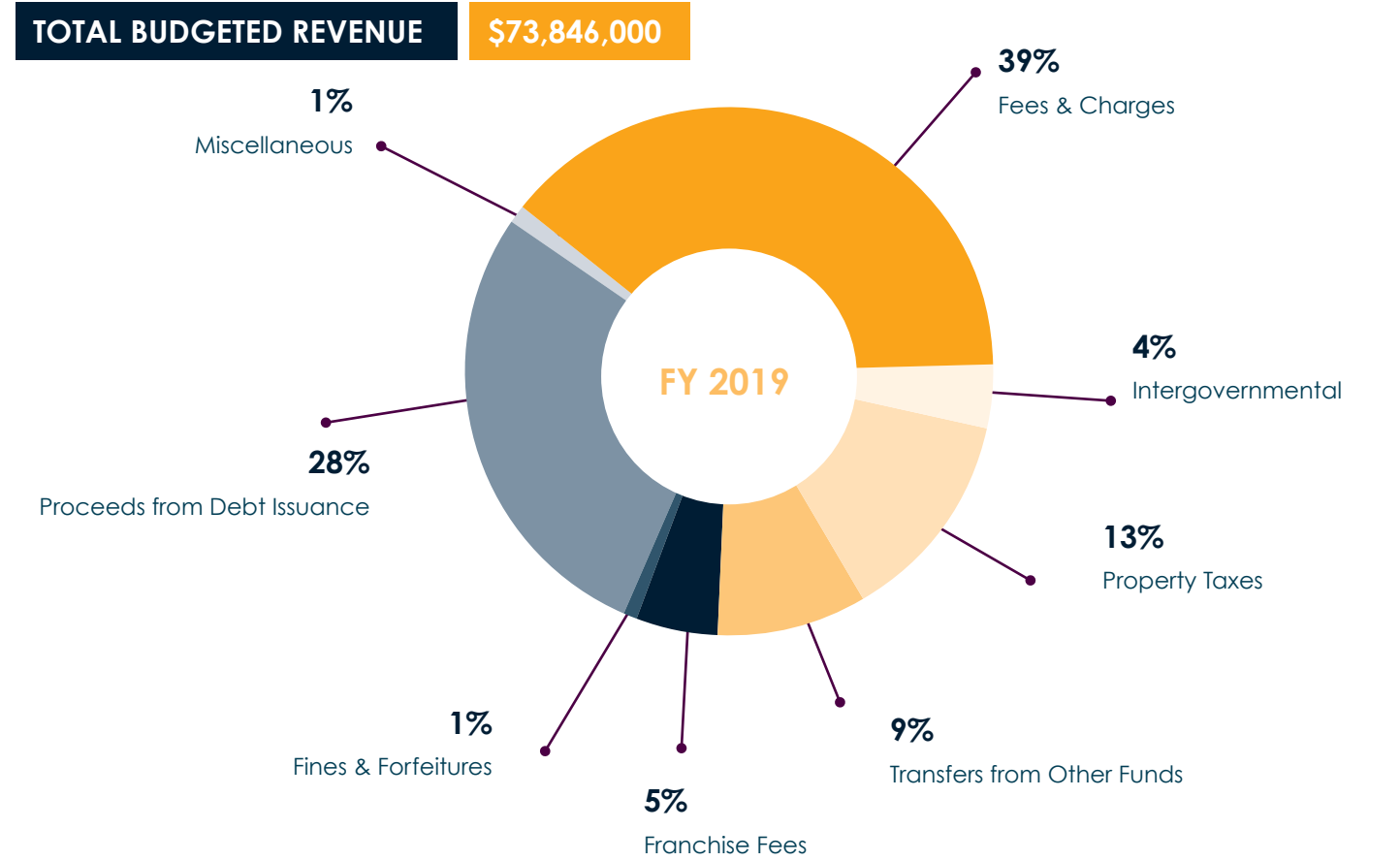
The Budget Committee unanimously approved the 2019-2020 Biennial Budget which was then adopted by the City Council on June 5, 2018. Since the adoption of the budget, there has been two transfers and one supplemental budget. A transfer does not require a public hearing whereas a supplemental does because it is adjusting appropriations by more than 10% of the original adoption. The 2019-2020 supplemental was related to an increase in contractual services for the Building Inspections Fund due to an increase in building permit activity. Prior biennial budgets were unanimously approved by the budget committee and subsequently adopted by the 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.

City Budget Information				
	FY 2019	FY 2018	FY 2017	FY 2016
City Budget:				
Personel Services	\$ 18,185,000	\$ 16,907,000	\$ 15,892,000	\$ 15,530,000
Materials & Services	13,370,000	12,429,000	12,122,000	11,197,000
Debt Service	2,748,000	930,000	869,000	973,000
Transfers	6,674,000	5,220,000	5,160,000	4,470,000
Annual Operating Budget	40,977,000	35,486,000	34,043,000	32,170,000
Capital Outlay	27,857,000	20,477,000	13,322,000	7,608,000
Reserves	68,834,000	12,051,000	15,856,000	9,374,000
Total City Budget	\$ 137,668,000	\$ 68,014,000	\$ 63,221,000	\$ 49,152,000

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

BUDGET: WHERE OUR 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 INCLUDE:

Fees & Charges (39%)

Charges for water, wastewater, stormwater, and street maintenance are charged to all users in the City of 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. The City Council approves utility rates based on costs to provide services.

Intergovernmental (4%)

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.

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 percent collection rate for property tax revenue, so the budgeted total amount of property taxes is approximately 94 percent 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 over the three percent growth rate limited by Measure 50.

BUDGET: WHERE OUR MONEY COMES FROM (CONTINUED)

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 (9%)

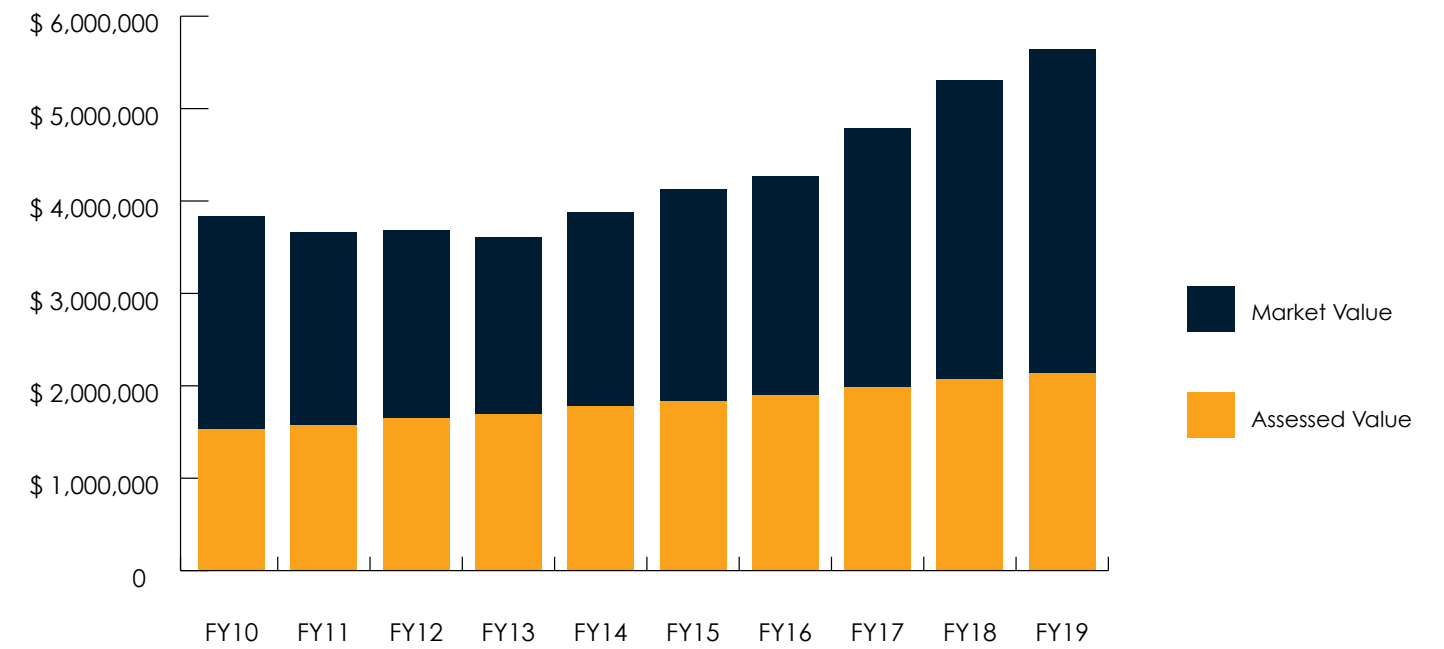
Transfers from other funds occur when revenues are transferred between funds; revenue is received by a fund providing an internal service from a fund receiving the service, where the cost of the service is shown as an expense. All City services that receive reimbursement charge revenue are consolidated 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.

Franchise Fees (5%)

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

REVENUE TYPE	BUDGET \$ (in thousands)	%
Fees & Charges	28,687	39%
Intergovernmental	3,143	4%
Property Taxes	9,430	13%
Transfers from Other Funds	6,363	9%
Franchise Fees	3,624	5%
Fines & Forfeitures	850	1%
Proceeds from Debt Issuance	20,978	28%
Miscellaneous	771	1%
TOTAL	\$73,846	100%

Milwaukie Real Market Value vs. Assessed Value (in thousands)



**Note:** The budgeted data presented is projected data which may differ significantly from the GAAP derived data in the Comprehensive Annual Financial Report (CAFR).



# WHERE YOUR TAXES GO

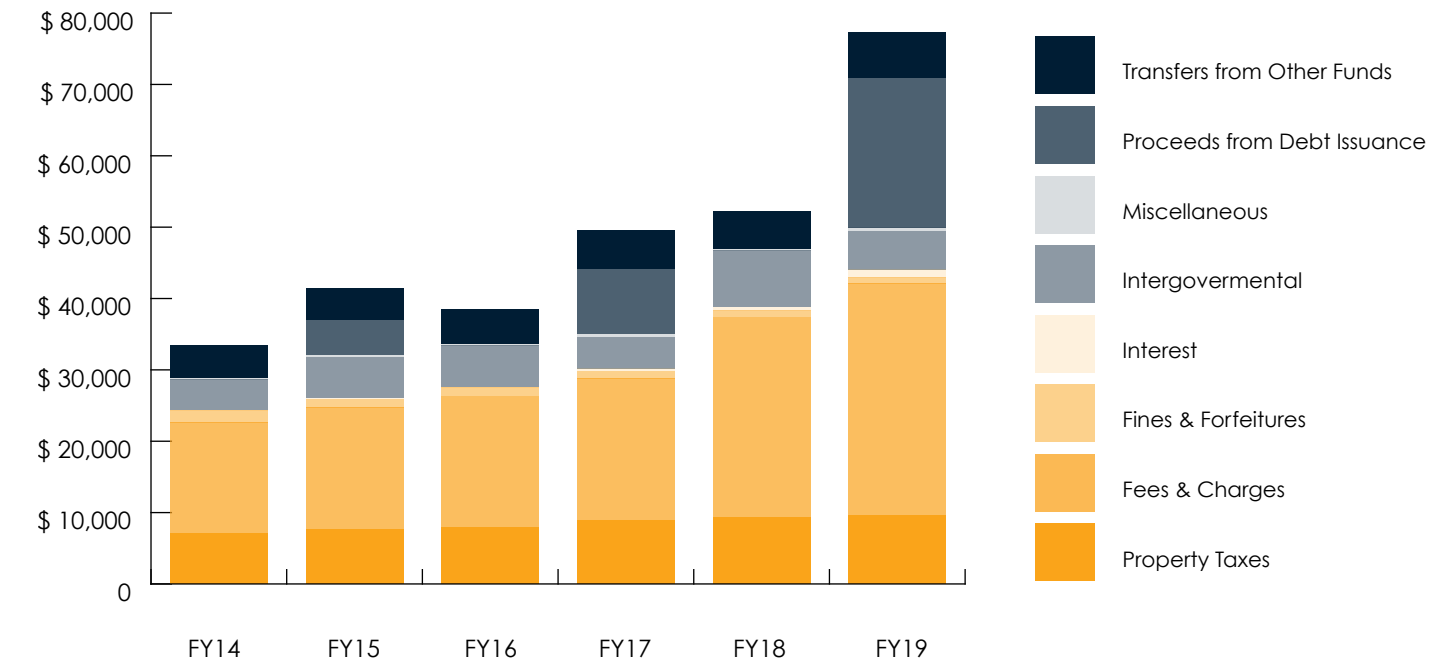
## Milwaukie Property Tax Dollars:

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, 21 percent of the total\* is allocated to the City of Milwaukie. Of every dollar paid, \$0.21 goes to the City:



\* Source: Clackamas County Rate Book

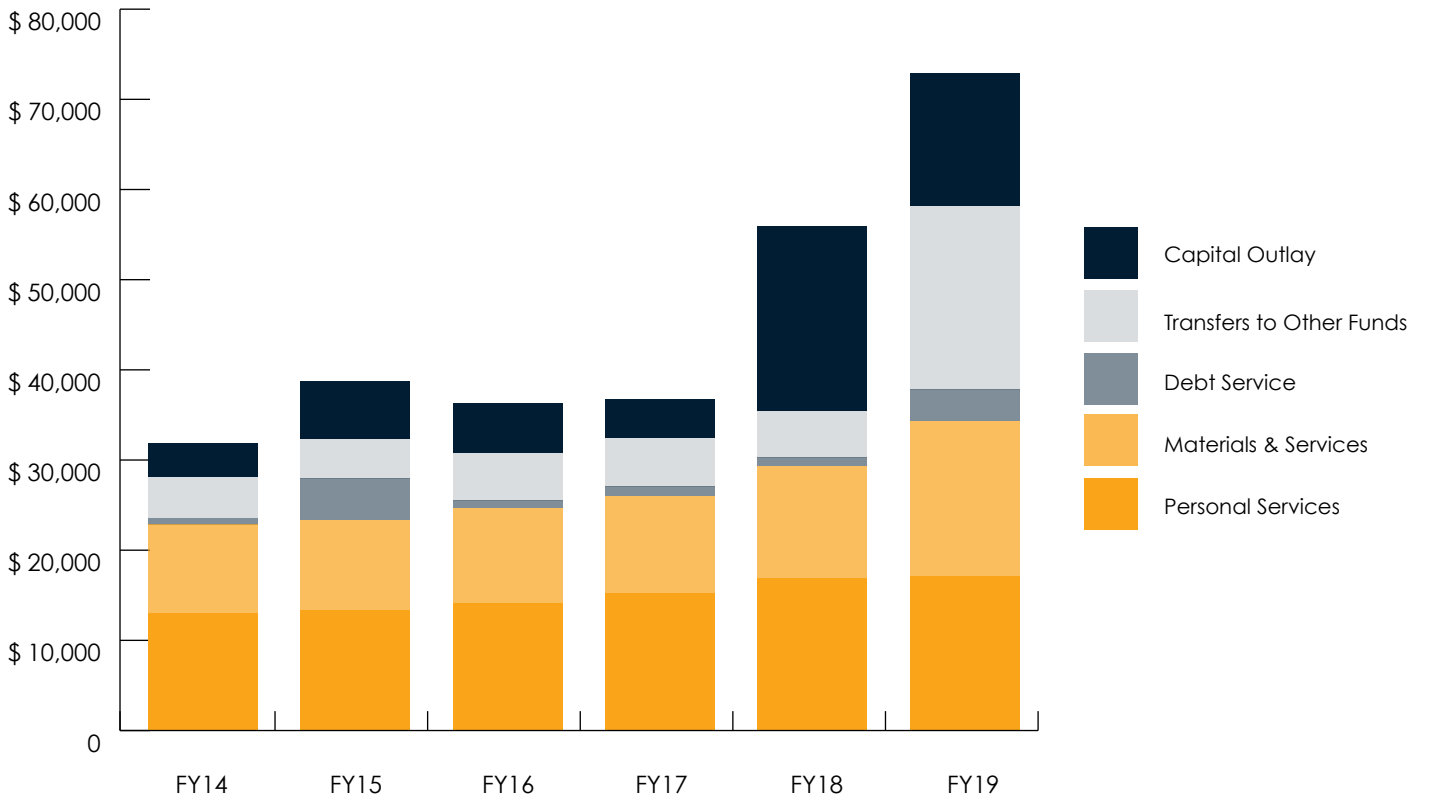
Total Actual Resources by Major Source (in thousands)



# HOW WE SPEND OUR 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. Forty-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.

Total Actual Expenditures by Category (in thousands)



## Personnel Services (32%)

Citywide, personnel services requirements increased in the 2019-2020 biennium due primarily to the addition of full-time equivalent positions and increasing benefit costs.

## Capital Outlay (27%)

The Capital Outlay requirements decreased from prior year due to timing and planning of infrastructure projects over the 2019-2020 biennium.

## Materials & Services (23%)

Citywide, Materials & Services requirements stayed flat year over year. The 2019-2020 biennium amounts are identified using an inflationary cost increase from the prior biennium.

## Debt Service (6%)

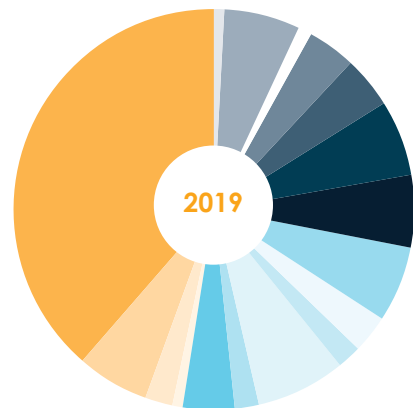
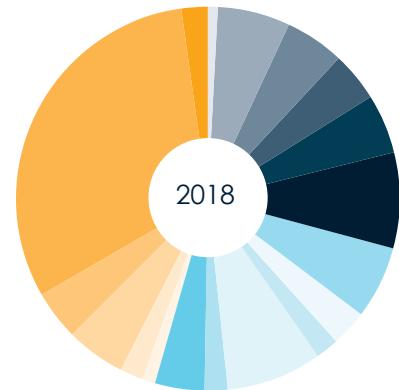
Biennial Debt service requirements are based on known obligations of the City.

## Transfers to Other Funds (12%)

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

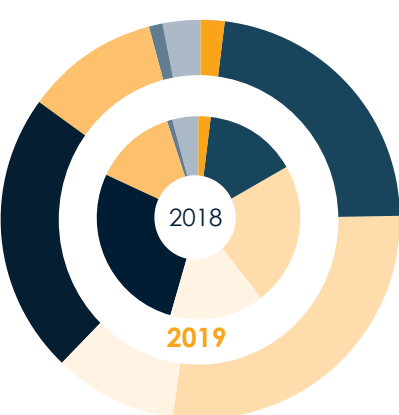


GENERAL FUND



EXPENDITURES BY DEPARTMENT	FY18	FY19
City Council	1%	1%
City Manager	6%	6%
City Attorney	0%	1%
Community Development	5%	4%
Public Works Administration	4%	4%
Engineering	5%	6%
Facilities Management	8%	6%
Finance	6%	6%
Fleet Services	3%	3%
Human Resources	2%	2%
Information Technology	8%	7%
Municipal Court	2%	2%
Planning	4%	4%
Code Enforcement	1%	1%
Public Access Studio	0%	0%
Records & Information Mgmt	2%	2%
Nondepartmental	5%	6%
Police Administration	4%	0%
Police Field Services	32%	38%
Police Support Services	2%	0%
TOTAL ACTUAL DOLLAR AMOUNT	\$17,996	\$18,295

ALL OTHER FUNDS



EXPENDITURES BY DEPARTMENT	FY18	FY19
Building Inspections Fund	2%	2%
Affordable Housing Fund	0%	0%
Library Fund	15%	23%
Transportation Fund	24%	28%
Water Fund	13%	10%
Wastewater Fund	28%	23%
Stormwater Fund	13%	11%
SDC	1%	1%
Debt Service	4%	3%
Milwaukie Redevelopment Commission	0%	0%
TOTAL ACTUAL DOLLAR AMOUNT	\$24,924	\$36,263



GLOSSARY

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.

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.

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.

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

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