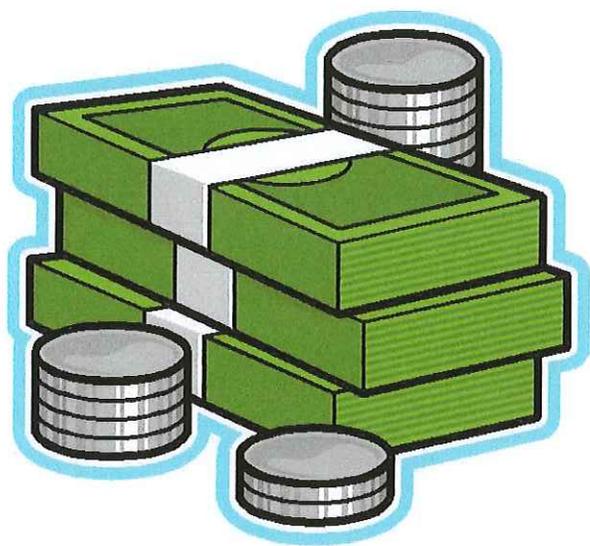




Major Revenues

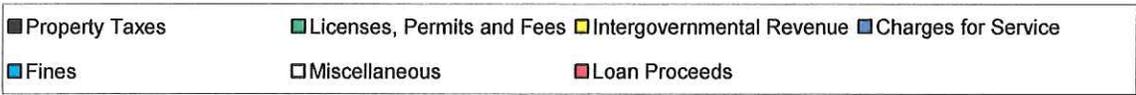
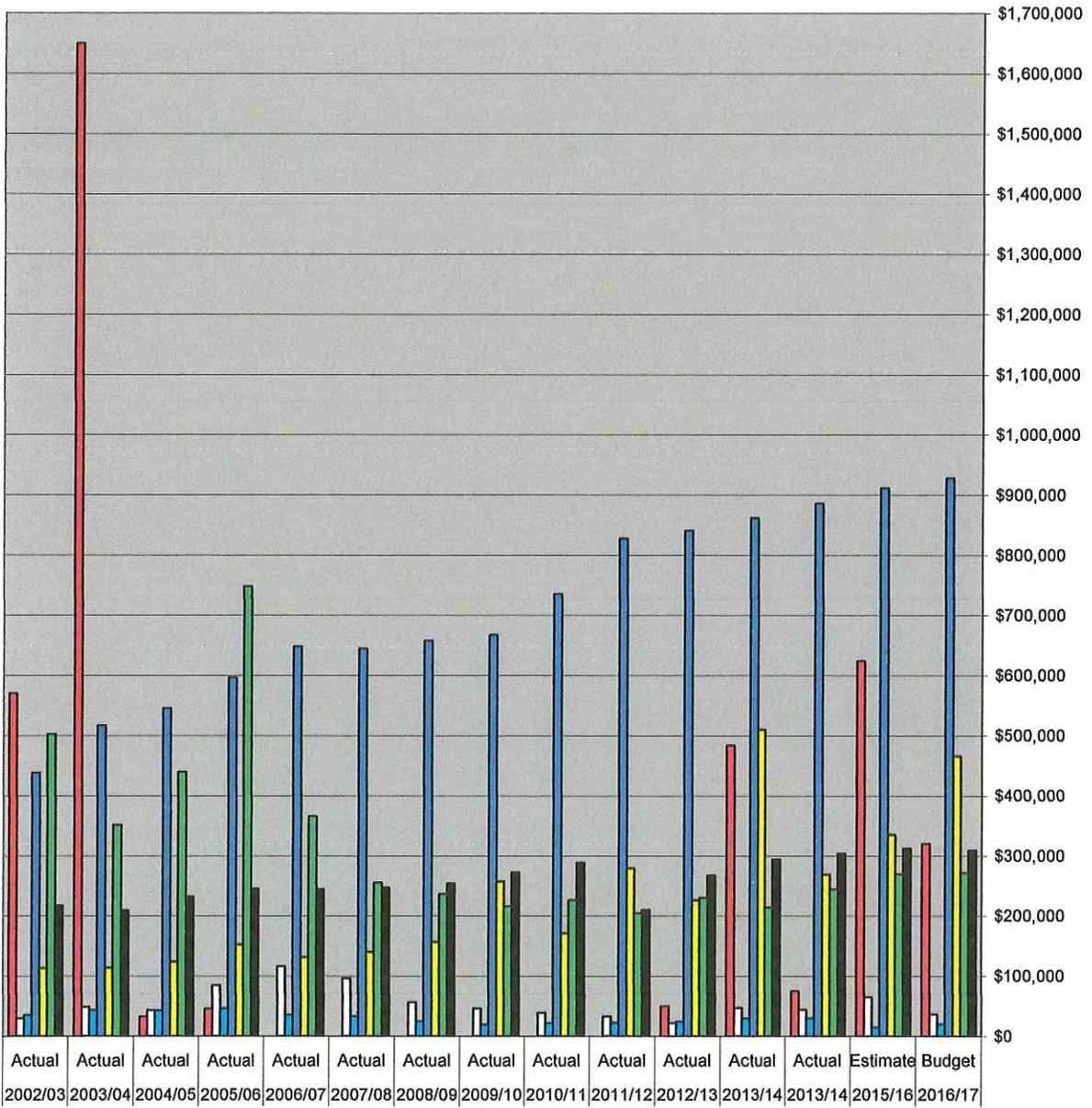


**City of Columbia City
2016-17 Annual Budget**

MAJOR REVENUES SUMMARY

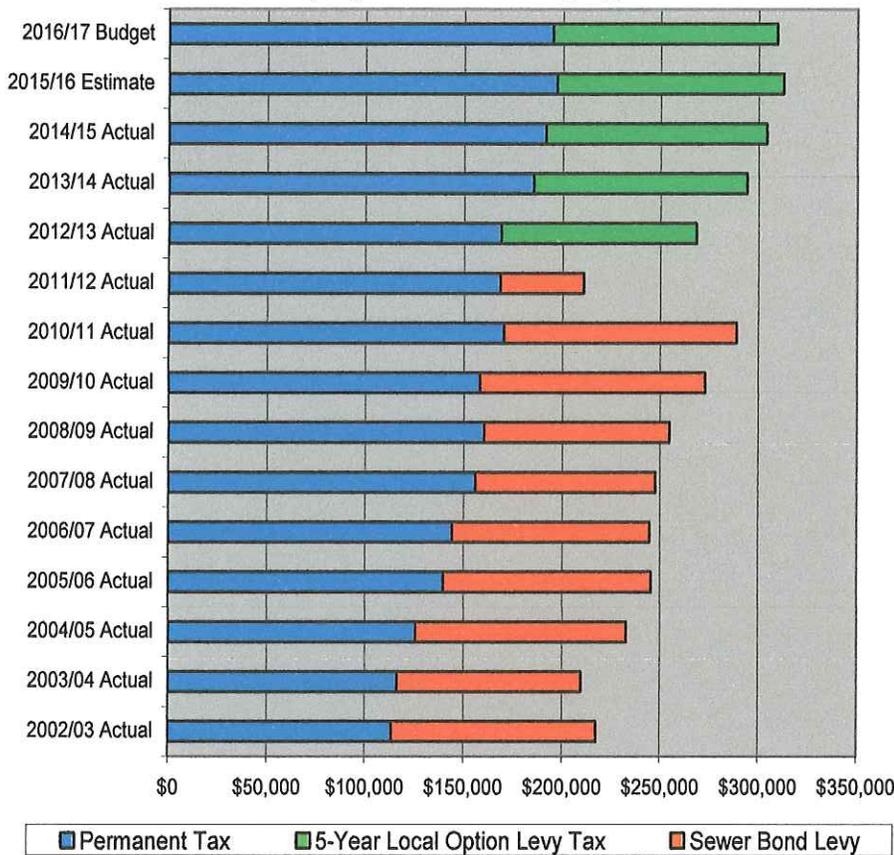
Revenue estimates are based on historical trends, expected population increases, inflation estimates, economic conditions, conservation measures, scheduled fee increases, and other anticipated changing conditions. After carefully analyzing revenue trends, revenues are estimated conservatively.

**Revenue Trends - All Funds
By Category**



Property Tax Revenue - By Type

PROPERTY TAX



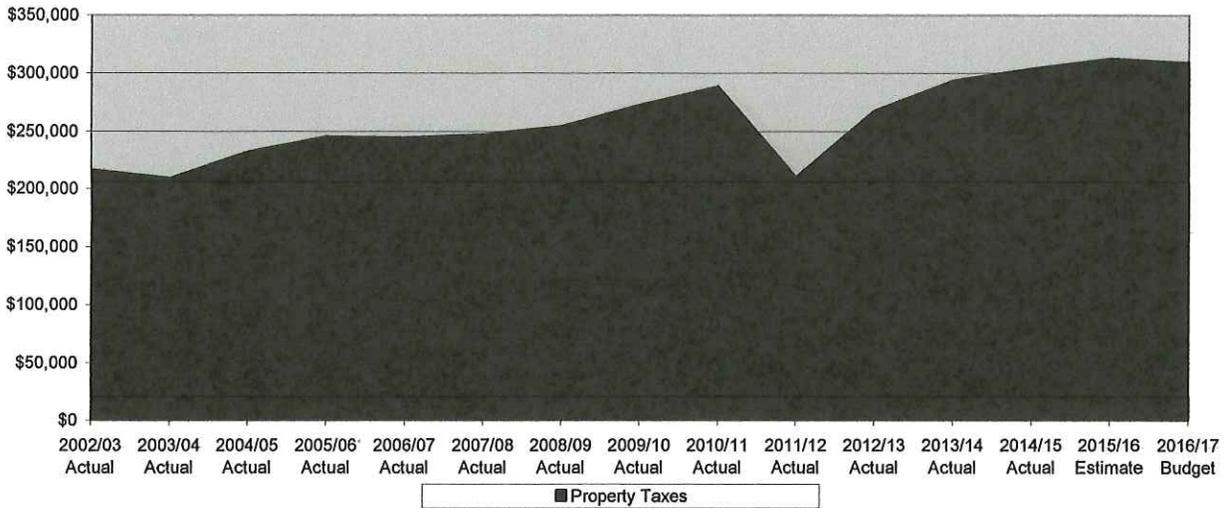
The City currently has two sources of property tax. The first is derived from the City's permanent tax rate, which is capped at \$1.1346 per \$1,000 assessed value. The second is a five-year local option levy of \$0.67 per \$1,000 assessed value. We are currently entering our fifth year of the five-year local option levy. All property tax revenues are devoted to funding police protection services. The City used to levy property taxes to pay for General Obligation Bonds associated with the construction of the City's sewer system in 1991, but the bonds were fully paid in December 2011 and taxes are no longer levied for that purpose.

At only \$1.1346, Columbia City's permanent tax rate is among the lowest of cities in Oregon. Even combined with the five-year local option tax, the City's total tax rate of \$1.8046 still represents an unusually low tax rate. That fact, coupled with the near absence of commercial and industrial development within the City, equates to an equally low amount of tax revenue collected per capita when compared with other cities in the state.

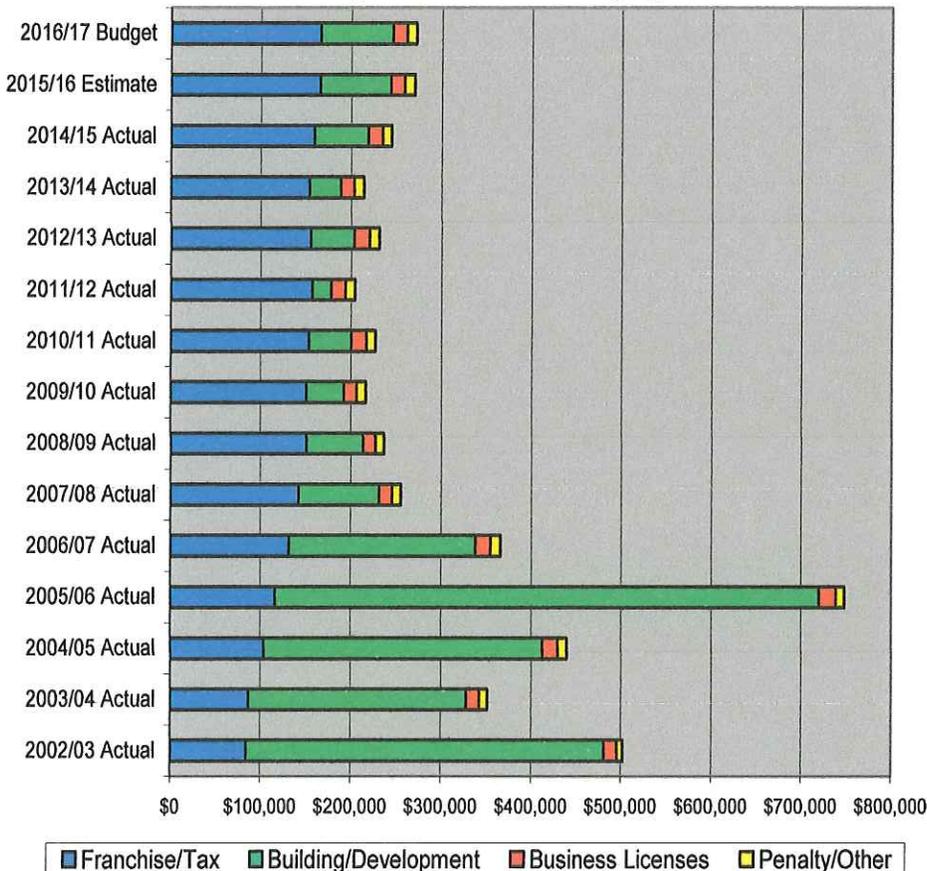
Property Tax Comparison of all Cities within Columbia County				
City	City Population	Tax Rate	Taxes Levied	Tax Levied Per Capita
Clatskanie	1,750	6.2088	\$608,177.96	\$347.53
Columbia City	1,955	1.8046	\$313,310.21	\$160.26
Prescott	55	0.3086	\$13,551.37	\$246.39
Rainier	1,905	4.8286	\$1,475,900.57	\$774.75
Scappoose	6,745	3.2268	1,827,995.44	\$271.01
St. Helens	13,095	1.9078	\$1,661,250.53	\$126.86
Vernonia	2,065	5.8163	678,786.35	\$328.71

The City's property tax revenues are projected to decrease by 1% in the coming year due to the recent loss of City's largest industry, West Oregon Wood Products. Market values of properties, along with construction activity levels, continue to slowly recover from the recent recession. Property tax revenues represent 13% of the City's total revenues.

Property Tax Revenue



Licenses, Permits and Fees - By Type



LICENSES, PERMITS AND FEES

This category is used to account for revenues for various City licenses, permits and fees. The major source comes from franchise fees and fees charged in lieu of a franchise fee or tax. Prior to the recent recession, fees collected for building and construction activities topped the list of sources for this revenue category.

Franchise agreements are made between the City and businesses that provide certain services within the City limits. The amount of franchise tax paid to the City is usually determined by a percentage of the gross

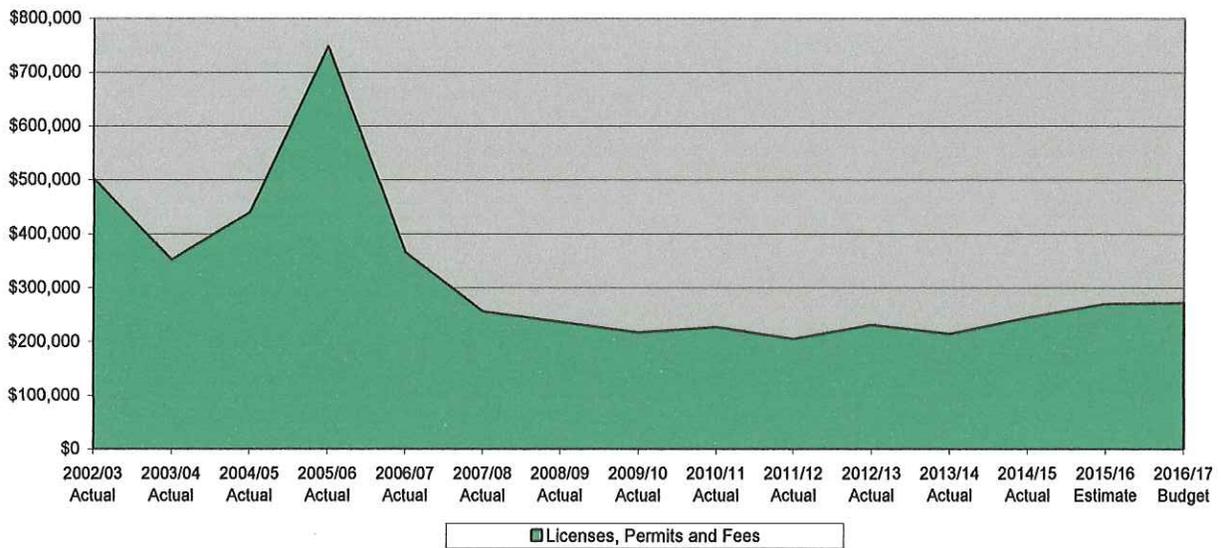
revenues of the business and is established by the franchise agreement. Revenue estimates are based upon amounts received in the past, taking into account any recent or projected changes to franchise agreements, and changes in the number of customers served, utility rates, vacancy rates, conservation trends, weather conditions, etc. In-lieu-of franchise fees are fees paid by the City's enterprise operations for use of the City's right-of-ways. Like franchise fees, these fees are based upon a

percentage of gross revenues collected by the enterprise operations as established by resolution of the City Council.

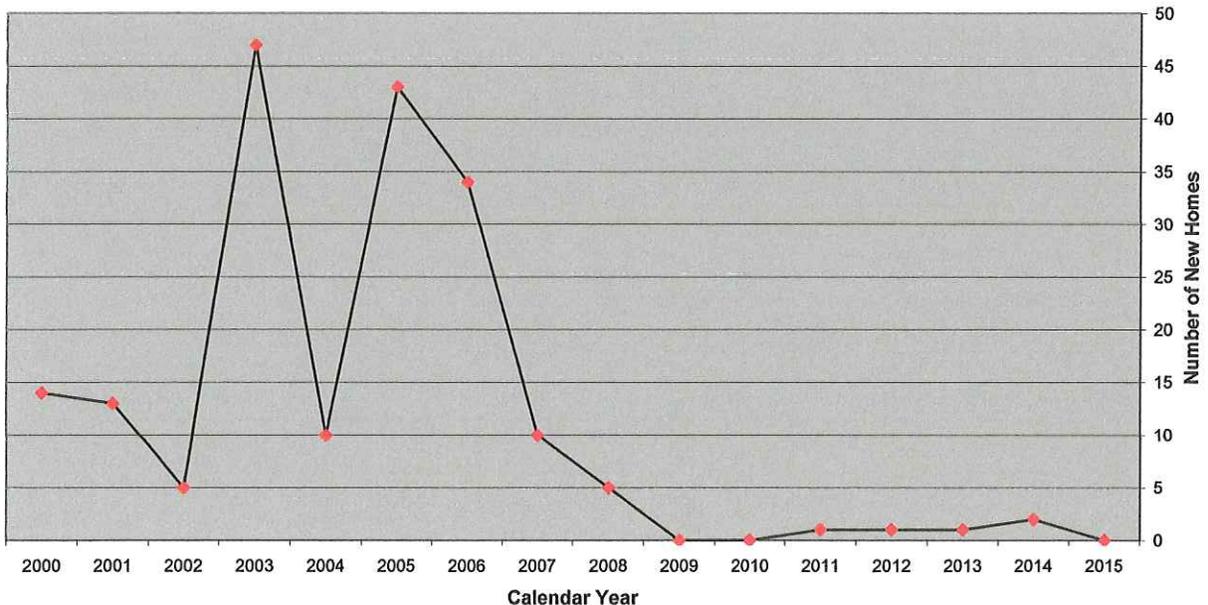
Building and development fees include structural, mechanical, and plumbing permits, land use fees, engineering review fees, connection charges, and system development charges, which are all tied to new construction. Estimates are arrived at after considering recent permit-related activity, the amount of land available for development, the local economy, contact with developers, etc.

Revenues from this source include business licenses and late fees. Overall, revenues from Licenses, Permits and Fees are expected to increase by less than 1% in the coming year, and revenues from these sources account for 12% of the City's total revenues.

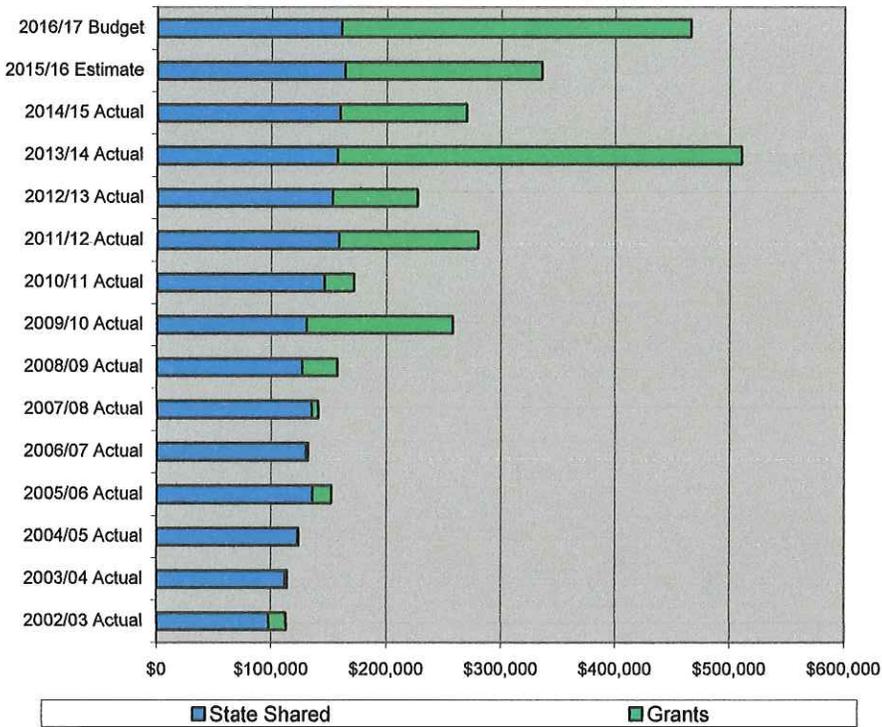
Licenses, Permits and Fee Revenue



New Housing Starts



Intergovernmental Revenues - By Type



INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of monies obtained from other governments, including distributions of revenue sharing, alcohol, cigarette and gasoline tax from the State of Oregon. It also includes state and federal grants, along with grants and contributions from other governmental agencies.

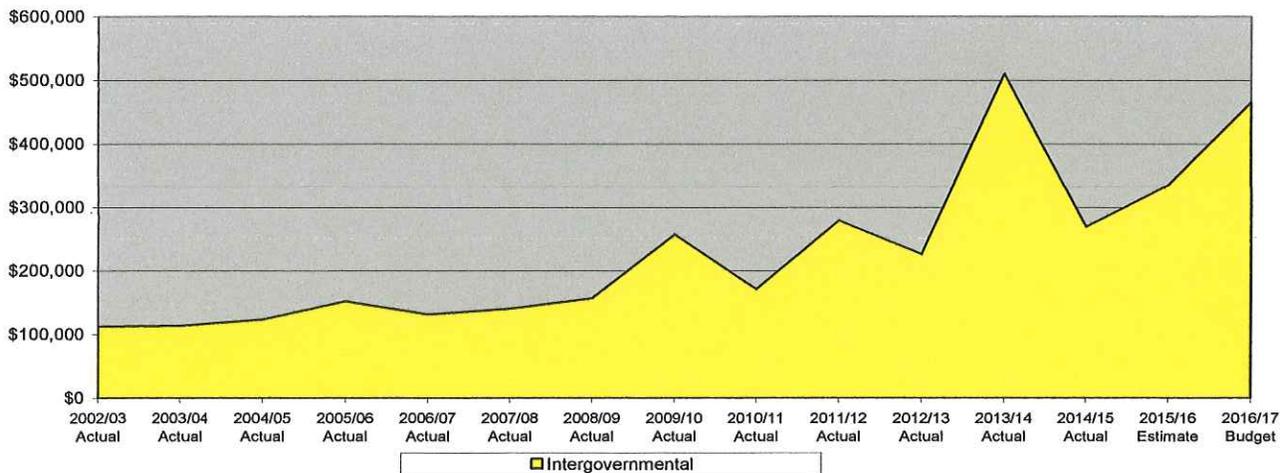
The State of Oregon collects alcohol, cigarette and gasoline taxes from sales. These taxes are distributed to the City based upon population, along with State revenue sharing

funds. Estimates are based upon adjustments to the State’s apportionment procedures, as well as past receipts and population changes.

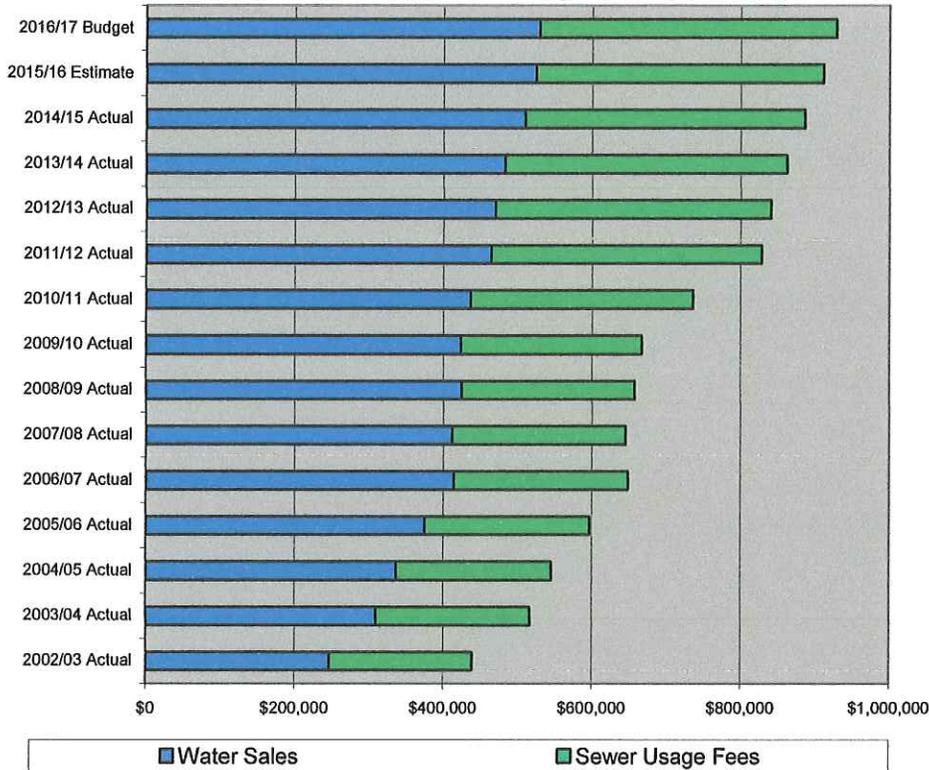
The City plans to request several foundation grants for improvements to the Columbia City Community Hall, submit a request for an Oregon Recreational Trail Grant for trail improvements along the McBride Creek riparian area, and request a Transportation Growth Management Grant to develop a Master Plan for industrially zoned property within the City. A funding application for street improvements to a section of Sixth Street will be submitted to the State of Oregon Special City Allotment Program. A Source Water Protection Grant will be requested for the implementation of source water protection strategies, and a FEMA Mitigation Grant will be requested for seismic upgrades to the upper water reservoir.

Revenues from this source are expected to increase by 39% during the coming year. Intergovernmental Revenues account for 20% of the City’s total revenues.

Intergovernmental Revenue



Charges for Services - By Type



CHARGES FOR SERVICES

Charges for services are derived from water sales and sewer usage fees. These charges are collected from the residential, commercial and industrial customers that are connected to the City's water and sewer systems.

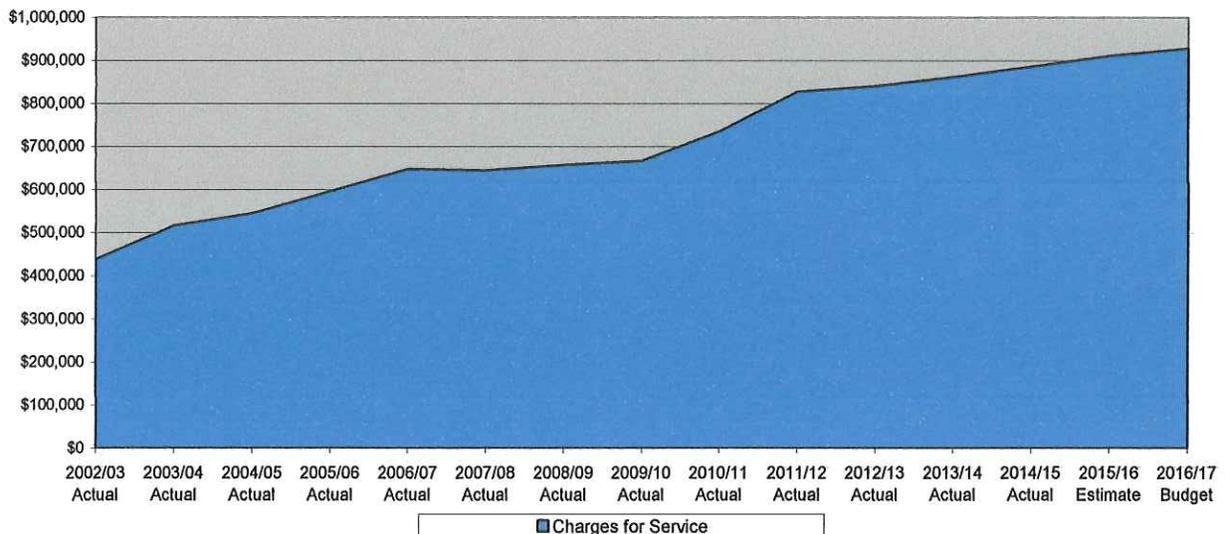
Estimates are arrived at by analyzing past receipts and considering impacts from growth, housing vacancies, collection trends, conservation measures, weather trends, etc.

An estimated water sales revenue loss of 2% is

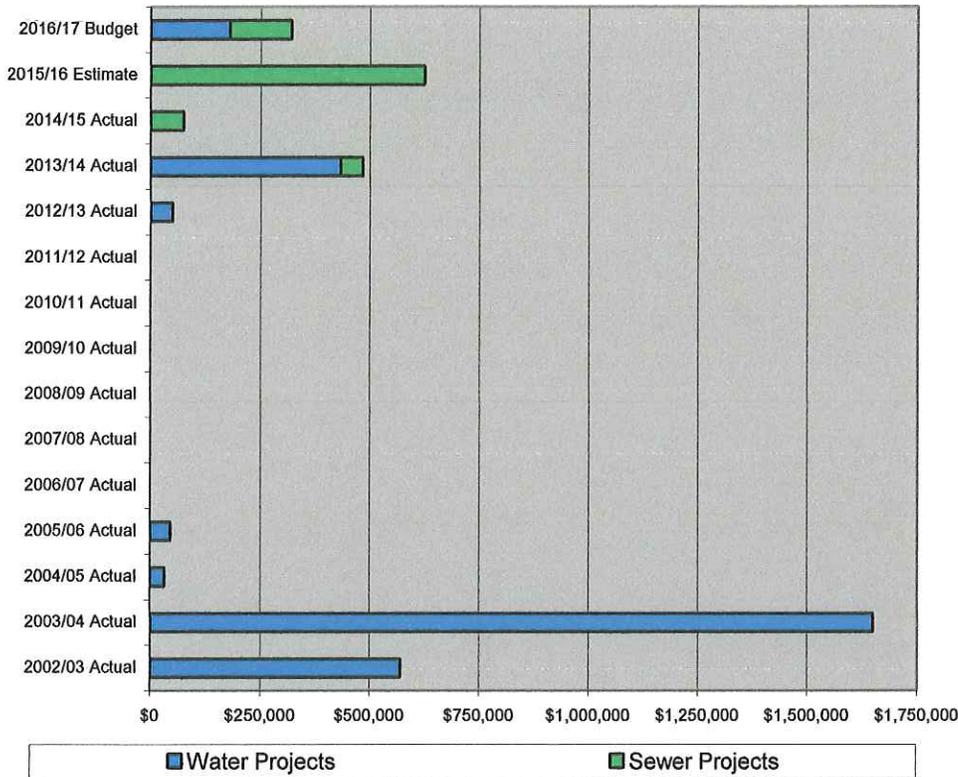
anticipated due to the recent closure of the City's largest industry and water customer, West Oregon Wood Products. Estimates for water and sewer charges during the coming year include a projected 3% rate increase effective July 2016 in accordance with the 2013 Water and Wastewater Rate Analysis. The rate increase is needed to generate the amount of revenue required to pay for operation and maintenance costs, make the annual debt payments, meet loan debt requirements, and complete necessary capital improvements as outlined in the system master plans.

Revenues from this source are expected to increase by 2% during the coming year. Charges for Services account for 39% of the City's total revenues.

Charges for Services Revenue



Loan Proceeds - By Type



LOAN PROCEEDS

In the coming year, a Safe Drinking Water Loan will be applied for to fund the Upper Reservoir Restoration and Improvements Project, which includes recoating both the interior and exterior of the upper level reservoir to prevent additional corrosion, completing structural repairs as needed, installing a telemetry system that will offer remote monitoring, adding an overflow drain, and adding seismic upgrades. An application for a Source Water Protection Loan will be submitted to partially

fund the implementation of source water protection strategies. An application for an Oregon Clean Water State Revolving Fund Loan will also be made to fund the Septic Tank and Abandonment Project and the Inflow and Infiltration Reduction Project.

Revenue from loan proceeds are expected to decrease by 49% during the coming year. Loan proceeds account for 14% of the City's total revenues

Loan Proceeds Revenue

