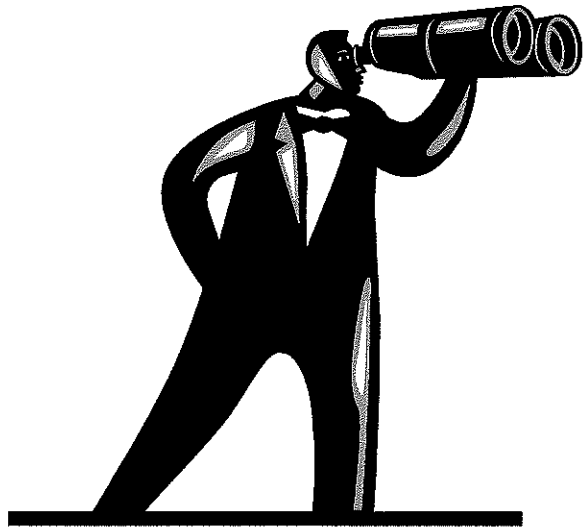


Long Term Financial Forecasting



City of Columbia City
2019-20 Annual Budget

LONG-TERM FINANCIAL FORECASTING

STEP 1: Collect historical financial data and identify future influences on revenues and expenditures.



STEP 2: Develop spreadsheets using information to show trends and projections.



STEP 3: Specify assumptions for projections and state basis of assumptions.



STEP 4: Select appropriate forecasting method.



STEP 5: Project future revenues and expenditures based on the information available.



STEP 6: Analyze data and make adjustments where necessary.



STEP 7: Create documents helpful for planning for the future of the City.

TEN-YEAR MODEL FORECAST ASSUMPTIONS

General Fund:

Revenues: An assumed growth rate of 105% per year was used for property tax revenues for the first two projected years and 104% was used for the remaining projected years. These assumptions were based upon currently anticipated subdivision development and construction activities and anticipated growth in market and assessed values. In addition, it is important to note that the revenue projections are based upon the assumption that the current Five-Year Local Option Levy will continue to be renewed by voters. A new Five-Year Local Option Levy will be required beginning with the 2022-23 fiscal year. All of the property taxes collected by the City are used to fund the Police Department.

Personal Services: Staffing levels are distributed throughout the various departments within the City based upon workload requirements, and from year to year the distributions are adjusted. The distribution of personal services throughout the various departments was projected for 2019-20 fiscal year, and that distribution was then carried through to fiscal year 2027-2028. An assumed growth rate of 105% was used for personal service costs in each of the departments.

Materials and Services: A growth rate of 102% was factored in for each year.

Capital Outlay and Construction: Provisions were made for each of the planned equipment acquisitions currently outlined in the Equipment Reserve Fund acquisition schedules. In addition, some additional appropriations were provided for other unplanned capital outlay purchases. Considering the condition and age of the City Hall and Community Hall facilities, periodic capital construction appropriations were made throughout the years for building improvements.

Water Fund:

Revenues: For the 2019/20 and 2020/21 projected years, an annual growth rate of 2% was projected for water sales revenue assuming no water rate increases. For the remaining projected years, periodic increases ranging between 1% and 2% were projected along with an annual 2% growth rate. As outlined in the 2013 Water & Wastewater Rate Analysis Summary Report, transfers in from the Water Development Fund were included to represent contributions towards the annual debt payments. An assumed annual growth rate of 103% was used for all other revenue sources.

Personal Services: Staffing levels are distributed throughout the various departments within the City based upon workload requirements, and from year to year the distributions are adjusted. The distribution of personal services throughout the various departments was projected for 2019-20 fiscal year, and that distribution was then carried through to fiscal year 2027-2028. An assumed growth rate of 105% was used for personal service costs within the

Water Department.

Materials and Services: A growth rate of 102% was factored in for each year.

Capital Outlay and Construction: Provisions were made for planned equipment acquisitions currently outlined in the Equipment Reserve Fund acquisition schedules. In addition, some additional appropriations were provided for other unplanned capital outlay purchases and/or building improvements. Capital projects outlined in the 2013 Water System Master Plan were included throughout the planning period.

Debt Requirements: Debt payments related to current loans were included, along with estimated debt payments for a loan that is currently in process. No further loans are anticipated during the planning period.

Sewer Fund:

Revenues: For the 2019/20 through 2022/23 projected years, an annual growth rate of 2% was projected for sewer usage fee revenues assuming 3% annual sewer rate increases. Projected rate increases dropped down to 2% during 2023/24 and 2024/25, and down to 1% during the remaining three projected years, while 2% annual growth rates are maintained. As outlined in the 2013 Water & Wastewater Rate Analysis Summary Report, transfers in from the Sewer Development Fund were included to represent contributions towards the annual debt payments. An assumed annual growth rate of 103% was used for all other revenue sources.

Personal Services: Staffing levels are distributed throughout the various departments within the City based upon workload requirements, and from year to year the distributions are adjusted. The distribution of personal services throughout the various departments was projected for 2019-20 fiscal year, and that distribution was then carried through to fiscal year 2027-2028. An assumed growth rate of 105% was used for personal service costs within the Sewer Department.

Materials and Services: A growth rate of 102% was used to project to material and service costs for each year.

Capital Outlay and Construction: Provisions were made for each of the planned equipment acquisitions currently outlined in the Equipment Reserve Fund acquisition schedules. In addition, some additional appropriations were provided for other unplanned capital outlay purchases. Capital projects outlined in the 2013 Wastewater Collection System Facilities Plan were included throughout the planning period.

Debt Requirements: Debt payments related to current loans were included, along with estimated debt payments for a loan that is currently in process, as well as an anticipated loan in 2022. No other loans are anticipated during the planning period.

City of Columbia City
 General Fund
 Model Forecast

	Second 5-Year Local Option Levy					
	Actual 2015-16	Actual 2016-17	Actual 2017-18	Estimated 2018-19	Budgeted 2019-20	Projected 2020-21
Revenues:						
Taxes	306,616	311,230	338,285	350,978	361,398	379,468
Licenses, Permits & Fees	234,688	246,203	239,504	235,144	238,955	246,124
Intergovernmental Revenue	70,546	131,418	81,873	78,180	130,493	134,408
Fines	11,926	16,129	23,638	24,735	22,500	23,175
Miscellaneous Revenue	65,227	60,344	59,745	52,133	41,484	42,729
Revenue Total:	689,003	765,324	743,045	741,170	794,830	825,903
Expenditures:						
Personal Services:						
Administration	135,783	148,398	157,824	201,939	170,383	178,902
Police Department	199,598	223,914	283,886	283,010	270,554	284,082
Building Department	14,597	14,953	15,632	16,541	17,140	17,997
Parks Department	62,044	82,978	81,782	56,989	70,998	74,548
Total Personal Services	412,022	470,243	539,124	558,479	529,075	555,529
Materials & Services:						
Administration	92,842	78,353	87,986	83,362	91,678	93,512
Police Department	54,060	47,770	65,913	60,040	69,758	71,153
Building Department	18,745	14,423	14,636	15,789	15,886	16,204
Parks Department	21,099	16,290	20,976	14,772	18,826	19,203
Total Materials & Services	186,746	156,836	189,511	173,963	196,148	200,071
Operating Expenditure Total:	598,768	627,079	728,635	732,442	725,223	755,600
Excess Revenues over Operating Expenditures	90,235	138,245	14,410	8,728	69,607	70,303
Capital Outlay and Construction						
Capital Outlay	54,144	1,072	51,892	9,884	0	10,000
Capital Construction	36,698	167,896	21,277	20,000	36,460	15,000
Total Capital Outlay and Construction	90,842	168,968	73,169	29,884	36,460	25,000
Other Financing Sources/Uses						
Transfers Out	0	15,000	0	10,500	7,500	7,500
Transfers (In)	(20,500)		(38,000)	0	0	(7,000)
Net Change in Fund Balance	19,893	(45,723)	(20,759)	(31,656)	25,647	44,803
Beginning Fund Balance:	222,752	242,645	196,922	176,163	144,507	170,154
Ending Fund Balance:	242,645	196,922	176,163	144,507	170,154	214,957
<i>Target Fund Balance - 90 Days Operating</i>	<i>147,641</i>	<i>154,622</i>	<i>179,663</i>	<i>180,602</i>	<i>178,822</i>	<i>186,312</i>

	<i>New Levy Required</i>					<i>New Levy Required</i>	
Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29
394,647	410,432	426,850	443,924	461,681	480,148	499,354	519,328
253,507	261,113	268,946	277,014	285,325	293,885	302,701	311,782
138,440	142,593	146,871	151,277	155,815	160,490	165,305	170,264
23,870	24,586	25,324	26,084	26,866	27,672	28,502	29,357
44,010	45,331	46,691	48,091	49,534	51,020	52,551	54,127
854,475	884,055	914,681	946,390	979,221	1,013,215	1,048,413	1,084,858
187,847	197,240	207,102	217,457	228,330	239,746	251,733	264,320
298,286	313,200	328,860	345,303	362,568	380,697	399,731	419,718
18,897	19,842	20,834	21,875	22,969	24,118	25,324	26,590
78,275	82,189	86,299	90,613	95,144	99,901	104,896	110,141
583,305	612,470	643,094	675,249	709,011	744,462	781,685	820,769
95,382	97,289	99,235	101,220	103,244	105,309	107,415	109,564
72,576	74,028	75,508	77,018	78,559	80,130	81,733	83,367
16,528	16,858	17,196	17,539	17,890	18,248	18,613	18,985
19,587	19,978	20,378	20,785	21,201	21,625	22,058	22,499
204,072	208,154	212,317	216,563	220,895	225,312	229,819	234,415
787,378	820,624	855,411	891,812	929,906	969,774	1,011,503	1,055,184
67,097	63,431	59,270	54,578	49,316	43,441	36,909	29,674
44,400	0	35,000	2,500	0	0	35,000	35,000
15,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000
59,400	15,000	40,000	7,500	5,000	5,000	40,000	40,000
0	7,500	0	8,000	8,000	8,000	0	0
(25,400)	0	(10,000)	0	(2,500)	0	(24,000)	(24,000)
33,097	40,931	29,270	39,078	38,816	30,441	20,909	13,674
214,957	248,054	288,985	318,256	357,334	396,150	426,590	447,499
248,054	288,985	318,256	357,334	396,150	426,590	447,499	461,174
194,148	202,346	210,923	219,899	229,292	239,122	249,412	260,182

City of Columbia City Water Operating Fund Model Forecast					0% Rate Increase
	Actual 2015/16	Actual 2016/17	Actual 2017/18	Estimated 2018-19	Budgeted 2019/20
Revenues:					
Delinquent Fees	9,905	9,280	9,934	8,000	8,240
Interest	1,701	3,356	5,704	8,500	5,665
Grants	0	6,503	38,964	355,224	123,809
Loan Proceeds	0	0	21,956	459,798	21,525
Miscellaneous	3,027	0	0	50	52
Hookup Charges	3,960	5,177	1,583	3,305	3,404
Water Receipts	527,366	532,754	580,798	563,376	580,277
Restoration Fees	345	630	610	402	414
Interfund Transfer - Water Dev Fund	0	6,000	0	0	0
Revenue Total	546,304	563,700	659,549	1,398,655	743,386
<i>Transfer from Rate Stabilization Reserve</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,000</i>	<i>16,000</i>
Adjusted Revenue Total	546,304	563,700	659,549	1,403,655	759,386
Expenditures:					
Personal Services	194,257	208,845	224,625	228,813	264,664
Materials and Services	125,562	151,992	130,406	166,195	156,342
Capital Construction w/loan or grant funding	0	0	59,398	815,022	145,334
Total Expenditures	319,819	360,837	414,429	1,210,030	566,340
<i>Transfer to Rate Stabilization Account</i>	<i>34,000</i>	<i>10,000</i>	<i>52,000</i>	<i>0</i>	<i>0</i>
Adjusted Expenditure Total	353,819	370,837	466,429	1,210,030	566,340
Net Operating Income	192,485	192,863	193,120	193,625	193,046
Other Financing Sources/Uses					
Debt Service					
N/A IFA Water/Wastewater Financing Loan	3,043	3,043	3,042	3,043	3,114
110% Safe Drinking Water Loan 2002	115,876	115,876	115,876	115,876	115,876
110% Safe Drinking Water Loan 2008	28,272	28,272	28,272	28,182	28,272
120% Safe Drinking Water Loan 2013	28,565	28,565	28,565	28,566	28,565
120% Safe Drinking Water Loan 2017	0	0	0	0	0
Total Debt Service	175,756	175,756	175,755	175,667	175,827
<i>Debt Ratio Coverage Requirement</i>	<i>1.10/1.20</i>	<i>1.10/1.20</i>	<i>1.10/1.20</i>	<i>1.10/1.20</i>	<i>1.10/1.20</i>
<i>Debt Ratio Requirement</i>	<i>192,841</i>	<i>192,841</i>	<i>192,841</i>	<i>192,841</i>	<i>192,841</i>
Total Capital Outlay/Construction	3,190	15,464	0	15,978	0
Interfund Transfer - Equipment Fund (In) Out	0	0	0	2,000	0
Net Other Financing Sources/Uses	178,946	191,220	175,755	193,645	175,827
Net Income(Expense)	13,539	1,643	17,365	(20)	17,219
Beginning Fund Balance	285,799	333,338	344,981	414,346	409,326
Ending Fund Balance	333,338	344,981	414,346	409,326	410,545
<i>Target Fund Balance - 3 months operating expense</i>	<i>79,955</i>	<i>90,209</i>	<i>88,758</i>	<i>98,752</i>	<i>105,252</i>

3% Rate Increase	1% Rate Increase	0% Rate Increase	2% Rate Increase	1% Rate Increase	1% Rate Increase	1% Rate Increase	2% Rate Increase	2% Rate Increase
Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29
8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751
5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176	7,392
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
54	55	57	59	60	62	64	66	68
3,506	3,611	3,720	3,831	3,946	4,065	4,186	4,312	4,441
603,488	615,558	621,713	646,582	665,979	685,959	706,538	727,734	749,566
426	439	452	466	480	494	509	524	540
30,000	30,000	30,000	30,000	30,000	30,000	30,000	31,000	40,000
651,796	664,415	671,137	696,588	716,586	737,183	758,399	781,251	812,758
6,000	9,000	1,000						
657,796	673,415	672,137	696,588	716,586	737,183	758,399	781,251	812,758
277,897	291,792	306,382	321,701	337,786	354,675	372,409	391,029	410,581
164,159	167,442	170,791	174,207	177,691	181,245	184,870	188,567	192,339
0	0	0	0	0	0	0	0	0
442,056	459,234	477,173	495,908	515,477	535,920	557,279	579,596	602,919
0	0	0	0	0	0	0	0	0
442,056	459,234	477,173	495,908	515,477	535,920	557,279	579,596	602,919
215,740	214,181	194,964	200,680	201,109	201,263	201,120	201,654	209,839
3,114	0	0	0	0	0	0	0	0
115,876	115,876	115,876	115,876	115,876	115,876	115,876	115,876	115,876
28,272	28,272	28,272	28,272	28,272	28,272	28,272	28,272	28,272
28,565	28,565	28,565	28,565	28,565	28,565	28,565	28,565	28,565
31,758	31,564	31,564	31,564	31,564	31,564	31,564	31,564	31,564
207,585	204,277	204,277	204,277	204,277	204,277	204,277	204,277	204,277
1.10/1.20	1.10/1.20	1.10/1.20	1.10/1.20	1.10/1.20	1.10/1.20	1.10/1.20	1.10/1.20	1.10/1.20
240,841	240,841	240,841	240,841	240,841	240,841	240,841	240,841	240,841
0	20,000	121,244	85,136	0	0	100,000	8,000	0
2,000	(20,000)	2,000	2,000	2,000	2,000	0	(8,000)	5,000
209,585	204,277	327,521	291,413	206,277	206,277	304,277	204,277	209,277
6,155	9,904	(132,557)	(90,733)	(5,168)	(5,014)	(103,157)	(2,623)	562
410,545	410,700	411,604	278,047	187,314	182,146	177,132	73,975	71,352
410,700	411,604	278,047	187,314	182,146	177,132	73,975	71,352	71,914
110,514	114,809	119,293	123,977	128,869	133,980	139,320	144,899	150,730

City of Columbia City Sewer Operating Fund Model Forecast					3% Rate Increase
	Actual 2015/16	Actual 2016/17	Actual 2017/18	Estimate 2018-19	Budget 2019/20
Revenues:					
Sewer Collection Fees	391,886	406,054	424,440	416,636	433,301
Interest	2,193	3,752	3,355	4,650	4,200
Grants	26,903	3,814	0	0	0
St. Helens SDCs/Connection Fees	19,190	15,352	3,838	3,838	18,790
Miscellaneous	35,255	200	11,223	11,323	500
DEQ Clean Water Loan	624,244	0	0	5,000	471,000
Prior Years' Property Tax	0	0	0	0	0
Transfer in from Sewer Development Fund	0	0	0	0	22,000
Revenue Total	1,099,671	429,172	442,856	441,447	949,791
<i>Transfer from Rate Stabilization Account</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Adjusted Revenue Total	1,099,671	429,172	442,856	441,447	949,791
Expenditures:					
Personal Services	124,191	117,826	140,907	143,224	171,388
Materials and Services	266,116	260,800	221,211	225,110	231,863
Capital Construction - Loan/Grant Related	649,244	0	0	5,000	471,000
Total Expenditures	1,039,551	378,626	362,118	373,334	874,251
<i>Transfer to Rate Stabilization Account</i>	<i>60,000</i>	<i>22,000</i>	<i>0</i>	<i>15,000</i>	<i>18,000</i>
Adjusted Expenditure Total	1,099,551	400,626	362,118	388,334	892,251
Net Operating Income	120	28,546	80,738	53,113	57,540
Other Financing Sources/Uses					
105% DEQ Clean Water Loan 2014	0	27,030	27,030	28,058	27,975
105% DEQ Clean Water Loan 2015	0	0	0	22,741	23,364
105% DEQ Clean Water Loan 2017	0	0	0	0	0
105% DEQ Clean Water Loan 2022	0	0	0	0	0
Total Debt Service	0	27,030	27,030	50,799	51,339
<i>Debt Ratio Coverage Requirement</i>	<i>N/A</i>	<i>1.05</i>	<i>1.05</i>	<i>1.05</i>	<i>1.05</i>
<i>Debt Ratio Requirement</i>	<i>N/A</i>	<i>28,382.00</i>	<i>28,382</i>	<i>53,339</i>	<i>53,906</i>
Interfund Transfer - Equipment Reserve	0	0	0	0	5,000
Interfund Transfer - Sewer Dev. Fund	0	0	0	0	0
Total Capital Outlay/Construction	96,527	7,904	7,904	73,000	71,000
Net Other Financing Sources/Uses	96,527	34,934	34,934	123,799	127,339
Net Income(Expense)	(96,407)	(6,388)	45,804	(70,686)	(69,799)
Beginning Fund Balance	310,013	273,606	289,218	335,022	279,336
Ending Fund Balance	273,606	289,218	335,022	279,336	227,537
<i>Target Fund Balance - 3 months operating expense</i>	<i>97,577</i>	<i>94,657</i>	<i>90,530</i>	<i>92,084</i>	<i>100,813</i>

3% Rate Increase	3% Rate Increase	3% Rate Increase	3% Rate Increase	2% Rate Increase	2% Rate Increase	1% Rate Increase	1% Rate Increase	1% Rate Increase
Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29
454,967	477,715	501,601	526,681	547,748	569,658	586,747	598,482	610,452
4,326	4,456	4,589	4,727	4,869	5,015	5,165	5,320	5,480
0	0	0	0	0	0	0	0	0
19,354	19,934	20,532	21,148	21,783	22,436	23,109	23,803	24,517
515	530	546	563	580	597	615	633	652
0	0	0	250,000	0	0	0	0	0
0	0	0	0	0	0	0	0	0
8,000	8,000	8,000	8,000	0	0	0	0	0
487,161	510,635	535,269	811,119	574,979	597,706	615,637	628,239	641,101
13,000	2,000	0	0	5,000	0	0	0	5,000
500,161	512,635	535,269	811,119	579,979	597,706	615,637	628,239	646,101
179,957	188,955	198,403	208,323	218,739	229,676	241,160	253,218	265,879
236,500	241,230	246,055	250,976	255,995	261,115	266,338	271,664	277,098
	0	0	250,000	0	0	0	0	0
416,458	430,186	444,458	709,299	474,735	490,792	507,498	524,883	542,977
0	0	10,000	21,000	0	2,000	4,000	0	0
416,458	430,186	454,458	730,299	474,735	492,792	511,498	524,883	542,977
83,704	82,450	80,811	80,820	105,244	104,914	104,139	103,356	103,124
27,891	27,804	27,715	27,624	27,530	27,434	27,336	27,235	27,131
23,288	23,210	23,131	23,050	22,967	22,883	22,797	22,621	22,530
33,278	31,961	31,859	31,754	31,647	31,538	31,427	31,313	31,197
0	0	0	0	24,115	24,115	24,115	24,115	24,115
84,457	82,975	82,705	82,428	106,259	105,970	105,675	105,284	104,973
1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
88,680	87,124	86,840	86,549	111,572	111,269	110,959	110,548	110,222
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
32,000	20,000	3,000	32,000	0	0	4,000	0	0
116,457	102,975	85,705	114,428	106,259	105,970	109,675	105,284	104,973
(32,753)	(20,525)	(4,894)	(33,608)	(1,015)	(1,056)	(5,536)	(1,928)	(1,849)
227,537	181,784	159,259	164,365	151,756	145,742	146,686	145,150	143,223
181,784	159,259	164,365	151,756	145,742	146,686	145,150	143,223	136,374
104,114	107,546	111,114	114,825	118,684	122,698	126,874	131,221	135,744