

INTRODUCTION

It is my honor to present the City of Scio's budget and budget document for fiscal year 2016-2017. The balanced budget and the budget document is the result of a great deal of work by city staff, it demonstrates their level of professionalism and commitment to the citizens of Scio.

The 2016-17 budget has been prepared in accordance with the State of Oregon Budget Laws, as well as, recommendations made through the 2015-16 City Audit Document. The 2017 budget is balanced and includes information stemming from the 2013-14, 2014-15, and 2015-16 fiscal years budgets. We continue to make improvements to the budget, the budget process and the budget document. It is our desire to make the budget and the budget process transparent, easy to follow and easy to understand.

We have improved the look and flow of the budget document and have received favorable comments regarding these upgrades. One primary change is the addition of account numbers for each fund and for every fund line item. In addition, you will find "Fund Detail Sheets". The detail sheets provide the reader with a break-down of projected expenses within their respective funds.

Break out sheets describing the dollars spent on Inter-fund Transfers, FTE Schedules, Employee Taxes and Benefits and an overall Budget Summary are also included.

Municipal Court

On June 8, 2016 the City of Scio held its' last, official session, of Scio Municipal Court. The closure of the court was based upon the reduction of citations being issued and the inability to collect outstanding fines. The citations issued within the city limits of Scio, by the Linn County Sheriff's Deputies, will be forwarded to Linn County for adjudication.

The City will continue efforts to collect the fines assessed prior to the transfer and we intend on garnishing personal tax returns as a means of collection on outstanding fines.

Public Safety

Scio continues to provide public safety through an Inter-governmental Agreement with Linn County Sheriff's Office. As with the last two budget years, the cost of Police Services has gone up 5% for the 2016-17 budget year.

2014-2015 = \$55,000.00
2015-2016 = \$57,750.00
2016-2017 = \$60,638.00

The \$60,638.00 amount provides for the following FTE services:

**One (1) deputy devoted to fifty (50%) of his time to city enforcement. Linn County shall furnish and supply all necessary labor, supervision, equipment, radio communication facilities and supplies necessary to maintain the level of services to be rendered through such agreement.

Recreation

2.25 acres of Park open space
5 City Parks

Utilities

Municipal Water System

.619 Million gallons per day capacity
.5 Million gallons treated water storage capacity
.091 Million gallons avg. daily consumption
388 Connections
55 Fire hydrants
7.09 Miles of water main lines

Municipal Sewer System

.662 Million gallons per day treatment capacity
.013 Million gallon average daily treatment
343 Connections
2 Sanitary Lift Stations
6.2 Miles of sewer main lines

Roads/Streets

6.10 Miles maintained
1 Intersections with traffic signals
2 Bridges

Stormwater Drainage System

2.2 Miles of piping
93 Manholes
67 Catch basins

Library Services

13,640 Circulating items on site
200,000+ Items available through Linn Library Consortium
4 Public Internet Stations
Annual Genealogy Program
Annual Children’s Reading Program
Seasonal Summer Reading Program

Economic Outlook and Assumptions

The Oregon economy is growing and indicators from the Oregon Employment Division and the Oregon Economic Development Department expects the growth to continue.

The City of Scio’s economy, which is directly related to Linn County, is a mixture of good and bad news. While Scio has benefitted from strong residential growth over the past several years, environmental issues, associated with floodplain and wetland rules and regulations, continue to plague our area.

Scio, like so many other rural cities suffer from what is referred to as the rural/urban divide. While the State of Oregon overall is seeing strong economic growth in urban areas, rural areas struggle with unemployment, which makes it difficult to attract commercial development, and store fronts remain vacant.

With strong residential growth, Scio has experienced increased revenues, which allows us to keep up with our current expenditures. While revenues have not increased enough to expand our services, we have been able to set aside funds to help buy down city debt and save for future infrastructure development.

Economic forecasts and assumptions by the Oregon Employment Department and League of Oregon Cities, feel that 2017 will be favorable, siring hopeful increases in jobs and consumer purchases.

Challenges Ahead

Library and Park Services

Ongoing budget challenges remain with the funding of our Library and Park Services. Both of these services are commonly referred to as “enhanced livability resources”.

Impact studies illustrate population reductions and consumer decline when there is a lack or reduction of “enhanced livability resources”. These same studies also tapped young families, with children between the ages of 5-16 years of age, to be more likely to move in and out of small rural communities. These losses center around the lack of intellectual, social and physical activities for individual family members, as well as, functions for families as a whole. We will continue to look for grants and other methods to financially support our library and park services. Scio is blessed with the local support from the Friends of the Library, the Scio Library Board and individual donations.

Facilities Plan

The City needs to begin researching and preparing a Request for Bid (RFP) process for a City Facilities Plan. We were told by our City Engineer, Jon Erwin, in October of 2015 that our current DEQ Permit for the lagoon facility will expire in July of 2016. At this time it is highly likely that DEQ will review the conditions of the City’s sewer system prior to issuing a new permit.

It was also recommended that the City begin planning for the cost of the facilities plan and scheduling completion of the plan to avoid delays of DEQ issuing a new discharge permit. This is a major expense and could mean that we need to apply for funding in the form of a grant, partial grant, or possibly a loan.

Water Rate Study

Money is being set aside to conduct a Water Rate Study. This Water Rate Study will be the key support tool to financing the future Water System Master Plan projects identified to City Council in April 2015.

Economic Development

There is a portion of the local population expressing interest in Scio Economic Development. This is a complexed issue that requires careful planning and community involvement. I stand ready to assist with this challenge if and when City Council directs staff to proceed.

Acknowledgements

I would like to thank city staff for all of the work they did to assist me with the completion of the budget and budget document. Everyone has done a great job completing their portions of the budget in a timely manner.

Lastly, I wish to thank the Scio City Council and the citizen members of the Budget Committee for their help and input into the budget. I appreciate your willingness to give up your personal time to serve our community. It is an honor and a privilege to work with skilled city employees and community volunteers in order to produce the 2016-2017 Scio City Budget.

Sincerely,

Virginia (Ginger) A. Allen
Interim City Manager