

Basics of public agency budgeting

All city, county, school and fire district budgets, in fact, all agencies with budgets that must be reported to the state, follow the same basic format. Revenues and expenditures are accounted for in a variety of funds, each of which has a defined purpose. The purpose may be to keep track of funds allocated for specific projects, such as building a reserve for replacement of equipment or infrastructure, or to track the revenues and expenses of a department. Usually, a General Fund serves as the main depository of revenue and the "checkbook" for everyday expenses.

At an agency's first budget meeting of each year, a budget message is delivered and the budget document is presented to the budget committee for review. The budget committee includes all members of the agencies governing boards (school board, city council, fire board, etc.), plus an equal number of citizens appointed by the governing panel. Most of these committees operate using Robert's Rules of Order to make agreed-upon changes in the budget.

The budget document is divided into separate sections for each fund. Each section, or fund, shows anticipated revenues and proposed expenses for each account within the fund. The proposed amount is followed by a blank column that will be filled by the budget committee's recommended budget.

The recommended budget then goes before the governing body, ie., the board of directors, council, etc., for final

decisions. The final column in a budget document is for the adopted budget, as voted on by the governing body. Also included in the budget document are audited figures showing actual revenues and expenditures for the previous two fiscal years (In this case for fiscal years 2007-2008 and 2008-2009), as well as the adopted budget for the current fiscal year (2009-2010).

Resources (income) are presented first in each budget account and include the anticipated amount of each of the revenue sources that go into a specific fund, for instance, taxes, fees, grants, etc. Expenditures for each fund are also itemized, depending on the anticipated use, such as personnel, travel, materials and services, capital outlay or contingency. A special category included in the expenditure portion, called the "unappropriated ending balance" is intended to provide enough cash carryover to last until resources start coming in for the new budget year. State law requires balanced budgets, therefore, total revenues (or resources) must equal total expenditures (or requirements).

Budget documents are huge, and are condensed for publication. Only the totals for each major category (personal services, debt service, capital outlay, etc.) are printed. This can make the document extremely difficult to understand, particularly when several entities, such as schools, are combined into one aggregate budget.

Agencies develop their budgets each spring because

Exciting ideas presented for school and town

Some big and exciting ideas were brought to the February 16 meeting of the Vernonia Economic Development Committee and, although "proposal", "preliminary" and "nothing is final" were the evening's mantras, the presenters were unable to mask their excitement.

After Columbia County Commissioner Tony Hyde initiated the presentations, school superintendent Dr. Ken Cox said that a recent meeting with Governor Ted Kulongoski affirmed that the governor remains strongly committed to Vernonia's recovery. Cox also told of \$19 million in unexpended flood mitigation funds from the midwest which need to be spent in the current federal fiscal year, and some of which may be available for use in Vernonia. A real dollar amount, however, has been found by deconstructing the five-year-old middle school, moving it to the new site and reconstructing it, which will reduce costs by about \$50 per square foot for that space.

Steve Effros, the new schools project manager, reported on an offer of \$2 million from the federal Economic Development Agency if an economic development catalyst can be developed along with the new school. This concept is connected to natural resources education in partnership with universities in Oregon. (For

the adopted budget must be sent to the Oregon Department of Revenue by June 30, the end of the fiscal year. Budget meetings are open to the public.

more information, see the Vernonia School Board article on page 11.)

Alissa Keny-Guyer of Portland State University, who staffs the Oregon Solutions team for Vernonia, explained a "pre-proposal" from the Pinchot Institute in Washington, D.C., to partner with Oregon and Vernonia in developing a supply of local, sustainable wood biomass for a community-based energy system which would include financial incentives for private forest owners to leave trees standing, forest jobs for harvesting timber (biomass) that is substandard for lumber, and develop wood pellets for fuel.

The Pinchot proposal includes a possible hybrid poplar

plantation fertilized with treated municipal wastewater, a "municipal thermal-energy system", public and private partnerships for research, and a natural resource center for continuing research and education on sustainable wood bioenergy.

The panel also agreed with a suggestion from the floor that they develop a way for people to ask questions without having to go to a meeting and speak in public. It is likely that, in addition to questions or suggestions on the school district web site, a question/suggestion box will be placed in an easily accessible location.

The Oregon Solutions team will meet Tuesday, February 23, at 2:30 p.m. in the Vernonia Community Learning Center.



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Salem Scene From page 3

On Wednesday, the Oregon AFL-CIO and the Oregon State Building Trades co-sponsored a rally for job creation. Well over 400 union members, most unemployed, came to Salem to ask legislators to use the February Session to help get Oregonians back to work.

These workers came from all over the state to illustrate that the recession is not over here in Oregon. Their message to us was loud and clear: Make sure that the job creation legislation introduced in this special session makes it to the governor's desk! They want us to know that for thousands of unemployed Oregonians there is no other option. We got the message.

Some Good News...

A bill that will expand the availability of capital

to Oregon small businesses passed out of my House Sustainability and Economic Development Committee. HB 3605 will increase loans for small business projects through the Oregon Business Development Fund (OBDF). The bill will allow the OBDF to increase loan amounts, currently limited at 50% of a project's cost. It will also streamline the loan process by increasing the amount of a loan the OBDF Director can approve from \$125,000 to \$250,000.

Another great piece of legislation aimed at both employment and consumer protection is SB 1045, the Job Applicant Fairness Act (JAFA), which will prohibit the use of credit history as a screening tool for employment, with a few excep-

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