

# CITY OF ROSEBURG, OREGON



## POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Roseburg  
Oregon**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

The information in this report is drawn from the City of Roseburg Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023 and is consistent with GAAP. Please review the ACFR online, or email Finance Director Ron Harker at [finance@cityofroseburg.org](mailto:finance@cityofroseburg.org) to request a copy or with any questions about this report.

# Letter from the City Manager

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Dear Citizens of Roseburg,

I am pleased to present the City's ninth annual Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. This report is designed to provide transparency and accountability of City financial information, which is a key organizational goal.

The City of Roseburg is proud to have received the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* for the past thirty consecutive years and now the *Award for Outstanding Achievement in Popular Annual Financial Reporting* for a eighth consecutive year.

It is our belief that participation in GFOA award programs enhances our citizens' understanding of Roseburg 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.

The PAFR is designed to provide a summary view of financial activities of the City. It is a high-level report for citizens who wish to learn more about Roseburg finances. All information in this report can be found in greater detail in the Annual Comprehensive Financial Report (ACFR) for the City.

Throughout the year, the Finance Department works on budgets, audits, financial policies, financial forecasts, and financial management. As always, the City of Roseburg invites citizens to share their thoughts and opinions with us.

Being good stewards of the taxpayers' monies is a main focus of the Finance Department, but that alone is not enough. We strive to develop healthy partnerships with the community; we strive to be transparent with the City's finances; and we always look for efficiencies in City operations.

If you have any questions about this document, please email Finance Director, Ron Harker, at [finance@cityofroseburg.org](mailto:finance@cityofroseburg.org).

Sincerely,

Nikki Messenger  
City Manager





# Roseburg Leadership

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Roseburg operates under the Council-Manager form of Government. The City Council has eight members elected by ward to four-year terms, with one Council position in each of four wards elected every two years. The Mayor, who presides at the Council meetings, is elected for a two-year term. Council adopts legislation and policies to direct the City and appoints a City Manager to administer all City operations and personnel except the Municipal Judge.

The City's administration is committed to professionalism and efficiency. The City provides a full range of municipal services including, police, fire, emergency medical services, municipal court, community development, library, parks, recreational and cultural activities, airport, water, storm water management, general public works, central services, administration and other services associated with a full-service city.

## Elected Officials



**Mayor Rich**

**Term 12/31/24**



**Councilor Rummel  
Ward 1**

**Term 12/31/26**



**Councilor Mohr  
Ward 1**

**Term 12/31/24**



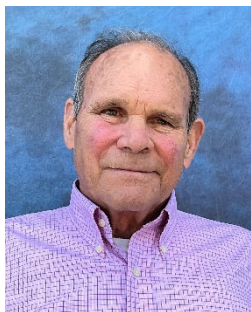
**Councilor Zielinski  
Ward 2**

**Term 12/31/24**



**Coun. Briggs Loosley  
Ward 2**

**Term 12/31/26**



**Councilor Michalek  
Ward 3**

**Term 12/31/24**



**Councilor Porter  
Ward 3**

**Term 12/31/26**



**Councilor Smith  
Ward 4**

**Term 12/31/26**



**Counselor Sipos  
Ward 4**

**Term 12/31/24**

## Appointed Officials

- Nikki Messenger, City Manager
- Jason Mahan, Municipal Court Judge

# City Council Priorities

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In January 2020, Council concluded its current goal setting process and adopted a resolution outlining goals for the organization for the next few years. The purpose of goal setting was, and is, to provide a priority framework for financial and human resource allocation to meet the needs of our community as outlined by our elected governing body. Resolution 2020-01 included six goals which are listed below:

*Goal – Develop and implement policies to enhance housing opportunities.*

*Goal – Implement transportation funding policies to meet identified community needs.*

*Goal – Enhance community livability and public safety.*

*Goal- Take a proactive role in community economic development and revitalization*

*Goal- Update and implement the City’s Emergency Preparedness Plan*

*Goal – Explore strategies to address issues related to unhoused individuals within the community*

While the goals are in no particular order, each speaks to important issues in our community and each will be dependent on strong leadership and sound financial planning.

The City is currently working to update these goals to provide updated guidance in addressing the current major issues in our community.

Additionally, Council adopted several action items for each goal to provide guidance on how the goals will be achieved. For further information regarding the adopted goals and their related action items please refer to the Annual Comprehensive Financial Report’s (ACFR) Transmittal Letter that can be found on page iii and iv of the ACFR for the year ending June 30, 2022. The ACFR is available online at [www.cityofroseburg.org/departments/finance/annual-reports](http://www.cityofroseburg.org/departments/finance/annual-reports)





# About Roseburg

The City of Roseburg, timber capital of the nation, was incorporated in 1872. From its founding to present day, the area’s greatest wealth has been its forests. Douglas County contains the largest stand of old growth timber in the world. Roseburg is situated at the heart of the Hundred Valleys of the Umpqua in scenic Southwestern Oregon. Adjacent to Interstate 5, it is 123 miles north of the California state line and approximately 70 miles south of Eugene, the state’s third largest city. Roseburg is approximately 80 miles inland from the Pacific Ocean and 80 miles west of Diamond Lake at the summit of the Oregon Cascades. It is less than 100 miles from Crater Lake National Park.

Roseburg is the largest city in Douglas County and the 26<sup>th</sup> largest city in Oregon. The City, the county seat of Douglas County, is the center of government and commerce for the county.



FY 2023 Fact	Figure
Date of Incorporation	1872
Form of Government	Council/Manager
Area in square miles	10.6
City Property Tax Rate:	\$8.48/\$1,000 TAV
City Bonded Debt Tax Rate:	\$0.00/\$1,000 TAV
Total Property Tax Rate:	\$15.26/\$1,000 TAV
City Share of Total:	56%
Total Operating Budget:	\$53.534 million
Population (2023 Estimate):	24,258
Employees (Budgeted Positions):	172.35
Outstanding Debt:	\$3.205 million
Bond Rating:	Aa3



FY 2022 Fact	Figure
Parks and Open Space:	428 acres
City Maintained Roads:	132 miles
Water Lines Maintained:	198 miles
Daily Average Water Production	4.61 million gallons
Number of Calls for Service - Police	41,113
Emergency Responses - Fire	7,412
Regional Airport Runway Length	5,000 feet
Airport Hangars	98

# Overview of Financial Results

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The following summary highlights are taken directly from the Management's Discussion and Analysis section of the fiscal year 2023 Annual Comprehensive Financial Report (ACFR); all figures are **reported in thousands**; net position is the difference between the total assets and deferred outflows and the total liabilities and deferred inflows:

- The assets and deferred outflows of the City of Roseburg exceeded its liabilities and deferred inflows at June 30, 2023 by \$235,499 (*net position*). Of this amount, \$31,615 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position at June 30, 2023 increased by \$11,425 from June 30, 2022. The increase in the total net position is primarily the result of an increase to the City's Cash and Investments of \$9,958 and a reduction of the City's Net projected to actual earnings to PERS of \$6,462.
- The City's total liabilities increased by \$5,223 from \$26,127 to \$31,350 in the current year. While regular debt service payments were made as scheduled, a \$5,053 increase to the Net Pension Liability is the primary driving force for the increase to liabilities.
- At June 30, 2023, the City's governmental funds reported combined ending fund balances of \$36,720, an increase of \$9,503 from the prior year which was largely driven by an increase of \$9,778 in cash and investments.
- At June 30, 2023, the City's business-type activities reported combined ending net position of \$91,141 an increase of \$1,338 over the prior year. Unrestricted net position increased by \$146 to \$15,653.
- At June 30, 2023, the unassigned fund balance for the General fund was \$12,100 or 48 percent of total General Fund expenditures and other financing uses.





# Net Position

The *Statement of Net Position* reflects a healthy financial condition as of June 30, 2023. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources by \$235.5 million at the close of fiscal year 2023. Net Position increased \$11.43 million largely due to an increase of \$9.95 million in current assets.

The net position is presented as a high-level summary overview of the City's financial position. For greater detail, see page 14 of the City's *Annual Comprehensive Financial Report*, available online at [www.cityofroseburg.org/departments/finance/annual-reports](http://www.cityofroseburg.org/departments/finance/annual-reports).

## Statement of Net Position

	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019
<b>Assets</b>					
Current assets	\$ 65,907,028	\$ 55,957,466	\$ 50,186,235	\$ 35,635,199	\$ 34,156,936
Capital and other	206,339,192	205,282,030	206,105,921	208,898,333	208,905,129
Total assets	272,246,220	261,239,496	256,292,156	244,533,532	243,062,065
<b>Deferred Outflow of Resources</b>					
Pension	8,874,928	9,973,868	9,485,682	8,140,956	8,513,710
Other Postemployment Benefits	259,943	304,043	355,223	383,726	51,393
Total Deferred Outflow	9,134,871	10,277,911	9,840,905	8,524,682	8,565,103
<b>Liabilities</b>					
Current liabilities	4,530,450	3,918,946	4,534,495	2,834,190	2,240,270
Long-term liabilities	26,819,255	22,208,034	34,425,241	31,078,668	28,563,307
Total Liabilities	31,349,705	26,126,980	38,959,736	33,912,858	30,803,577
<b>Deferred Inflow of Resources</b>					
Pension	6,535,355	12,997,501	1,987,568	1,836,204	2,476,857
Other Postemployment Benefits	1,555,401	1,646,885	1,573,922	1,377,551	1,562,752
Lease Resources	152,855	6,672,363	6,958,587	-	-
Leases	6,288,293	-	-	-	-
Total Deferred Inflow	14,531,904	21,316,749	10,520,077	3,213,755	4,039,609
<b>Net Position</b>	<b>\$ 235,499,482</b>	<b>\$ 224,073,678</b>	<b>\$ 216,653,248</b>	<b>\$ 215,931,601</b>	<b>\$ 216,783,982</b>





# Statement of Activities

The *Statement of Activities* reports all financial activity for the fiscal year ended June 30, 2023.

This statement presents high-level summary information about how the City's net assets changed during the fiscal year as a result of all financial activity (i.e. revenues and expenses). Total revenues exceeded expenses by \$11.426 million primarily due to strong appreciation in property values that translated into strong property tax growth and increased grant revenues. For greater detail, see pages 15 and 16 of the City's *Annual Comprehensive Financial Report*, available online at [www.cityofroseburg.org/departments/finance/annual-reports](http://www.cityofroseburg.org/departments/finance/annual-reports).

	<b>Statement of Activities</b>				
	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Revenues	\$ 55,492,925	\$ 48,565,907	\$ 45,323,889	\$ 43,098,203	\$ 50,415,434
Expenses	(44,067,121)	(41,145,477)	(44,602,242)	(43,950,584)	(44,296,925)
Increase in net position	11,425,804	7,420,430	721,647	(852,381)	6,118,509
Net position - beginning	224,073,678	216,653,248	215,931,601	216,783,982	210,665,473
Net position - ending	\$ 235,499,482	\$ 224,073,678	\$ 216,653,248	\$ 215,931,601	\$ 216,783,982

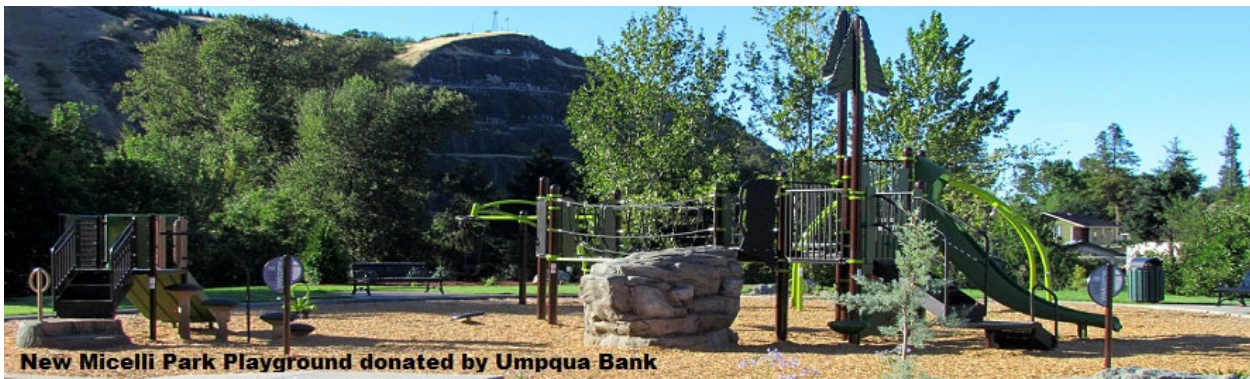




# Budget

The Citizen’s Budget Committee approved the FY 2023 budget which was then adopted by the City Council on June 13, 2022. To best illustrate trends, the fiscal year budget amounts are presented below for the last five fiscal years.

	<b>Budget Information</b>				
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>
<b>City Budget:</b>					
Personnel Services	\$ 22,456,705	\$ 22,661,576	\$ 21,774,694	\$ 20,952,006	\$ 19,668,955
Materials & Services	13,861,500	11,152,450	11,103,000	10,944,347	12,538,780
Debt Service	635,447	621,371	600,179	592,336	1,291,216
Transfers	2,270,434	1,947,134	1,534,076	1,276,644	1,375,514
Other	71,775	104,186	95,318	21,000	-
Annual Operating Budget	<u>39,295,861</u>	<u>36,486,717</u>	<u>35,107,267</u>	<u>33,786,333</u>	<u>34,874,465</u>
Capital Outlay	8,584,074	7,053,560	5,616,769	6,991,780	7,183,995
Reserves	53,799,523	44,292,228	38,353,627	32,555,227	29,301,437
<b>Total City Budget</b>	<u><u>\$ 101,679,458</u></u>	<u><u>\$ 87,832,505</u></u>	<u><u>\$ 79,077,663</u></u>	<u><u>\$ 73,333,340</u></u>	<u><u>\$ 71,359,897</u></u>



# Financial Policies

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The City of Roseburg 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. To provide for quality basic City services.
2. To establish a financial base sufficient to maintain or enhance City assets required to support community service demand.
3. To respond to changes in the needs, desires and service requirements of Roseburg.
4. To follow prudent and professional financial management practices to assure residents of Roseburg and the financial community that our City government is well managed and in sound fiscal condition.
5. To cooperate with other government entities to provide cost effective services to citizens.
6. To have an adequate capital improvement program that maintains and enhances the public's assets.

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 by management and City Council and amended as necessary.

To review all financial policies for the City of Roseburg, please see page 6 of the Roseburg Adopted Budget for 2022-2023, available online at [www.cityofroseburg.org/departments/finance/city-budgets](http://www.cityofroseburg.org/departments/finance/city-budgets).





# Revenue Overview

The City maintains 21 distinct funds in which to account for government services. The financial statements of the City are divided into two categories – governmental activities and business-type activities. Governmental activities include the basic services provided by the city including public safety, parks and recreation, library, public works, community development, and general administration. Property taxes, public service taxes, franchise fees, charges for services, and state and federal grants fund most of these activities.

Business-type activities include water, storm drainage, off street parking, and airport services. The City charges fees to customers to help cover the costs of these services. Along with the adoption of the budget, rate increases for water, storm drainage and airport services are approved by the City Council following the support and recommendation of the Public Works Commission.

### Major Revenue Types

**Property Taxes** – The City of Roseburg’s permanent tax rate is \$8.48 per \$1,000 of taxable assessed value.

**Intergovernmental** – Grants or shared revenues received from other governments (state, federal, etc.).

**Fees & Charges** – Fees received for services, including water, storm drainage, rental properties, etc.

**Licenses, Permits, & Fines** – Revenue generated from selling licenses and permits and collecting on fines.

**Franchise Fees** – The revenue received as per agreements with public and private utilities for use of the City right-of-ways.

**Other** – Revenues that do not fall into the above categories.

Douglas County assesses property taxes on behalf of the county, schools, special districts, and the City of Roseburg on a consolidated property tax bill. Of this tax bill, 55.57 percent of the total is allocated to the City of Roseburg. Of every dollar, \$0.56 goes to the City:

**\$0.56**  
**City of**  
**Roseburg**



**\$0.07**  
**Douglas**  
**County**



**\$0.37**  
**Roseburg**  
**School**  
**District**

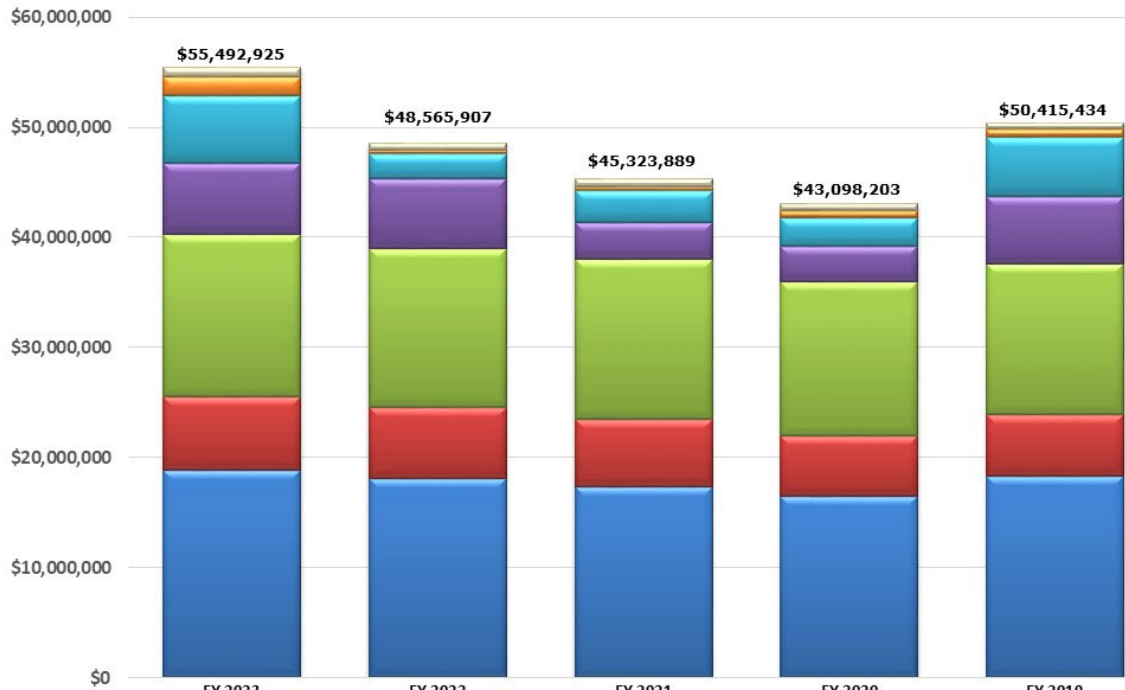


**<\$0.004**  
**4H**  
**Extension**  
**Service**

Tax revenues increased \$0.925 million from the prior year. Property taxes for general purposes increased \$722 thousand. Capital grants and contributions increased \$3.751 million from the prior year.

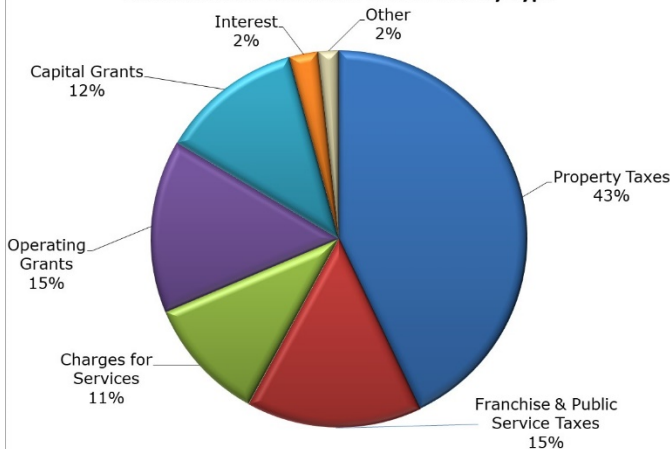
# More About Revenues

City Wide 5 YR Revenue Trend by Type

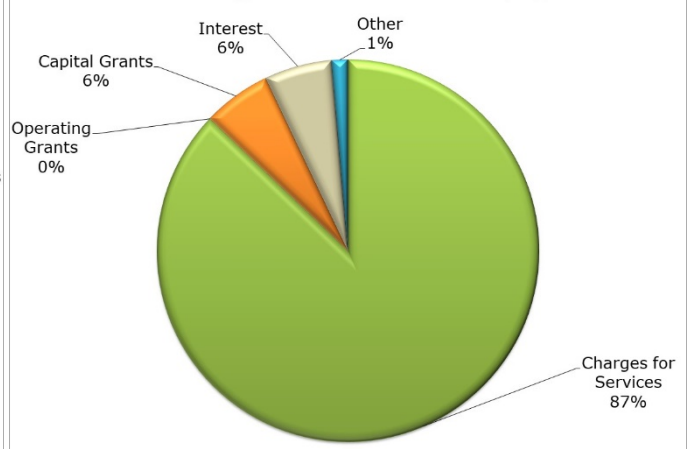


Other	931,970	678,659	753,870	654,889	610,126
Interest & Investment	1,754,398	252,581	280,115	662,090	721,487
Capital Grants	6,050,800	2,299,165	2,920,333	2,560,666	5,414,735
Operating Grants	6,538,124	6,404,919	3,408,324	3,309,839	6,061,615
Charges for Services	14,696,082	14,334,329	14,488,021	13,952,288	13,720,765
Franchise & Public Service Taxes	6,635,953	6,550,947	6,100,327	5,471,470	5,567,873
Property Taxes	18,885,598	18,045,307	17,372,899	16,486,961	18,318,833

Governmental Revenues for FY 2023 by Type



Business-Type Revenues for FY 2023 by Type





# Expenses Overview

The City of Roseburg plans for expenses using several short and long-range planning tools. A six-year financial forecast for the general fund guides short-term governmental spending. A five-year financial forecast for the water utility guides short-term water utility spending. The multi-year forecasting models anticipate projected increases and decreases in revenues and expenses.

The City of Roseburg also relies on master planning documents including the Transportation System Plan, Water Master Plan, Storm Drainage Master Plan, Park Master Plan, Regional Airport Financial and Development Plan, and others. These master plan documents provide long-range planning for necessary capital improvements and investments in the City's infrastructure. The City's expenses related to services provided are tracked by distinct funds, and can also be displayed by type of service provided. There are seven main service categories in which expenses can be attributed:

**General Government** – Expenses include those incurred by the City Council, City Manager's Office, Finance, Human Resources, and Information Technology.

**Public Safety** – Includes expenses from the Police, Fire and Municipal Court Departments.

**Public Works** – Expenses related to the provisions of Engineering, Streets and Lighting, and Facilities.

**Culture & Recreation** – Expenses include those incurred by the Parks & Recreation and Library departments.

**Community Development** – Expenses related to land use planning, permit services, economic development, code enforcement, and redevelopment projects.

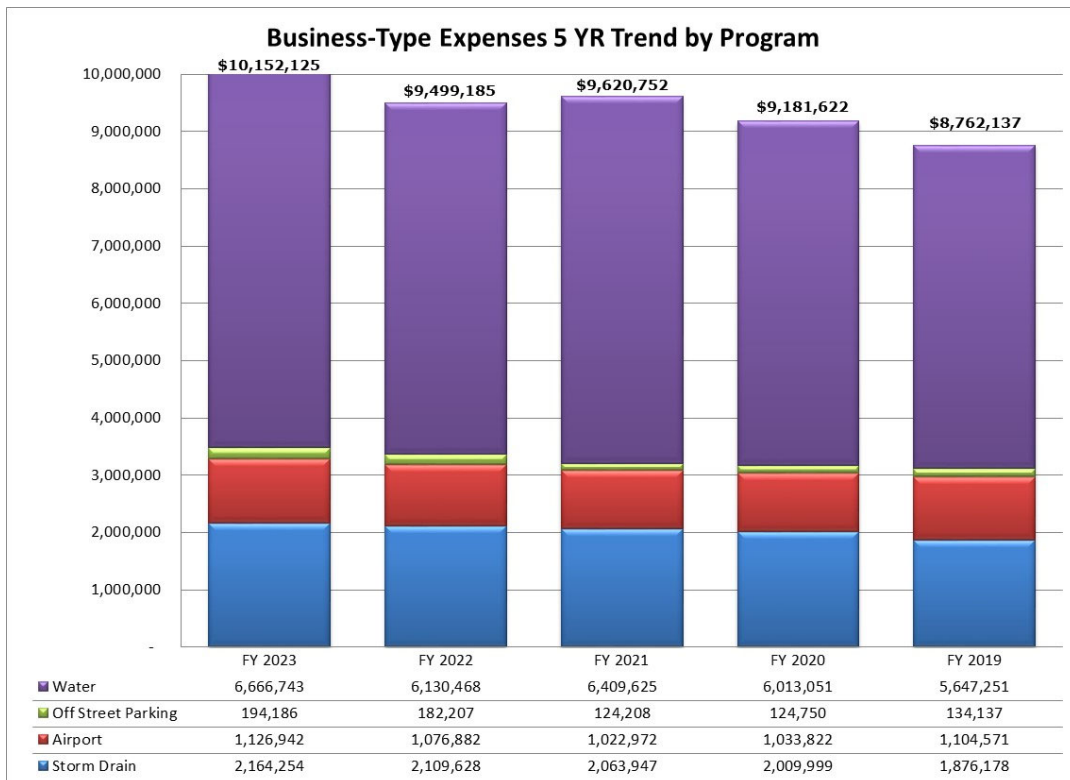
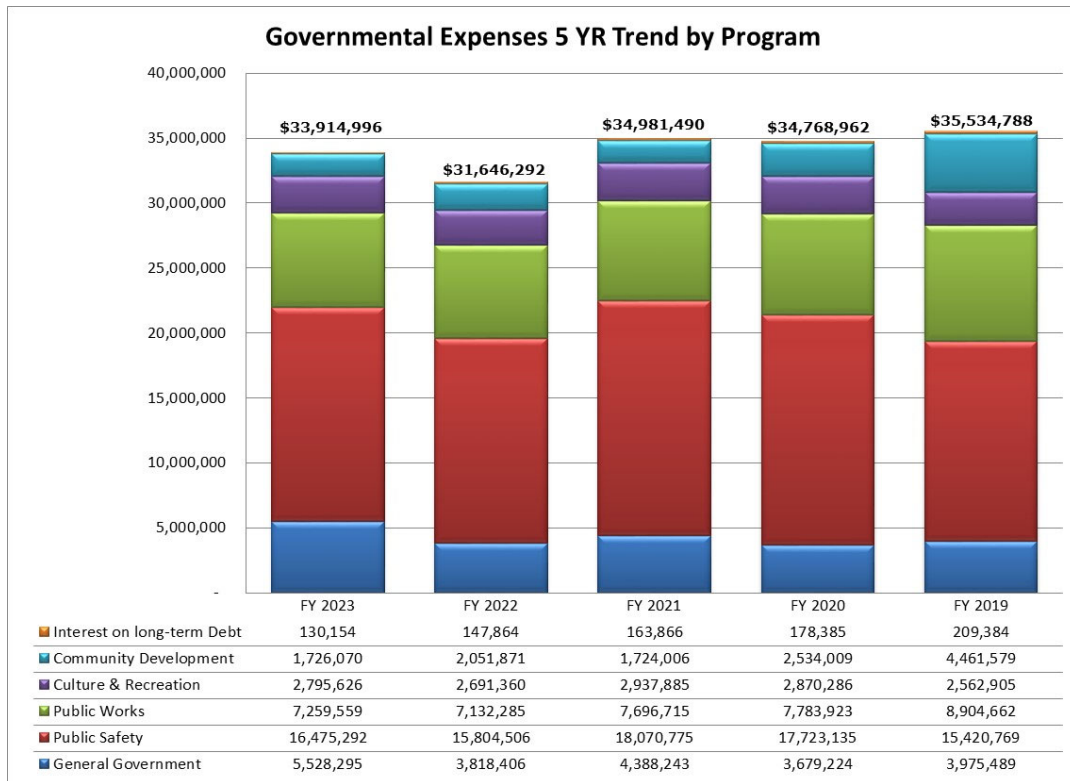
**Debt Service** – Interest Expenses related to debt retirement.

**Business-Type Activities** – Expenses related to the operations of the City's business enterprises including: Storm Drainage, Airport, Off Street Parking, and Water.



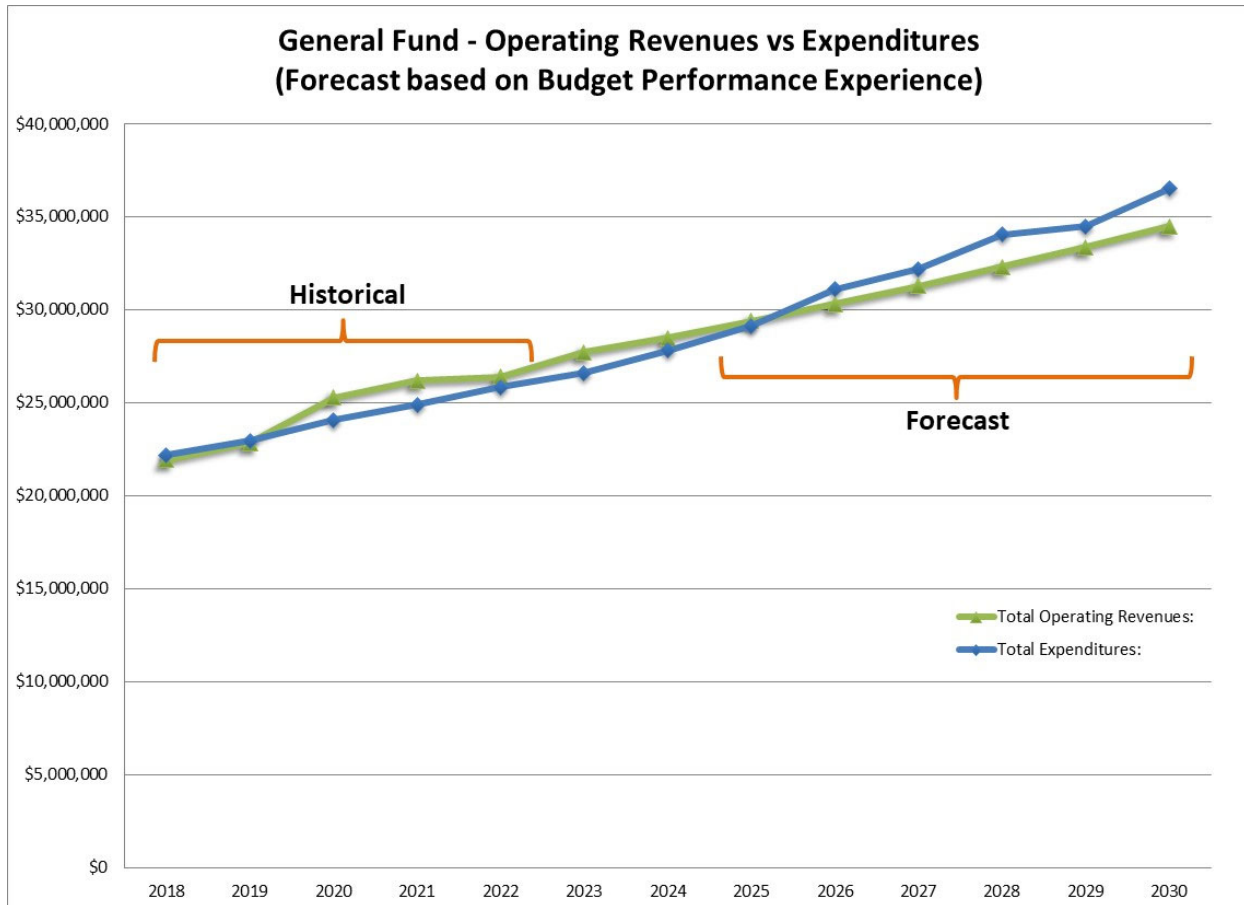
Total expenses increased \$2.92 million in 2023 primarily due to increased spending of grant funds directed at responding to the unhoused crisis.

# More About Expenses





# Financial Planning

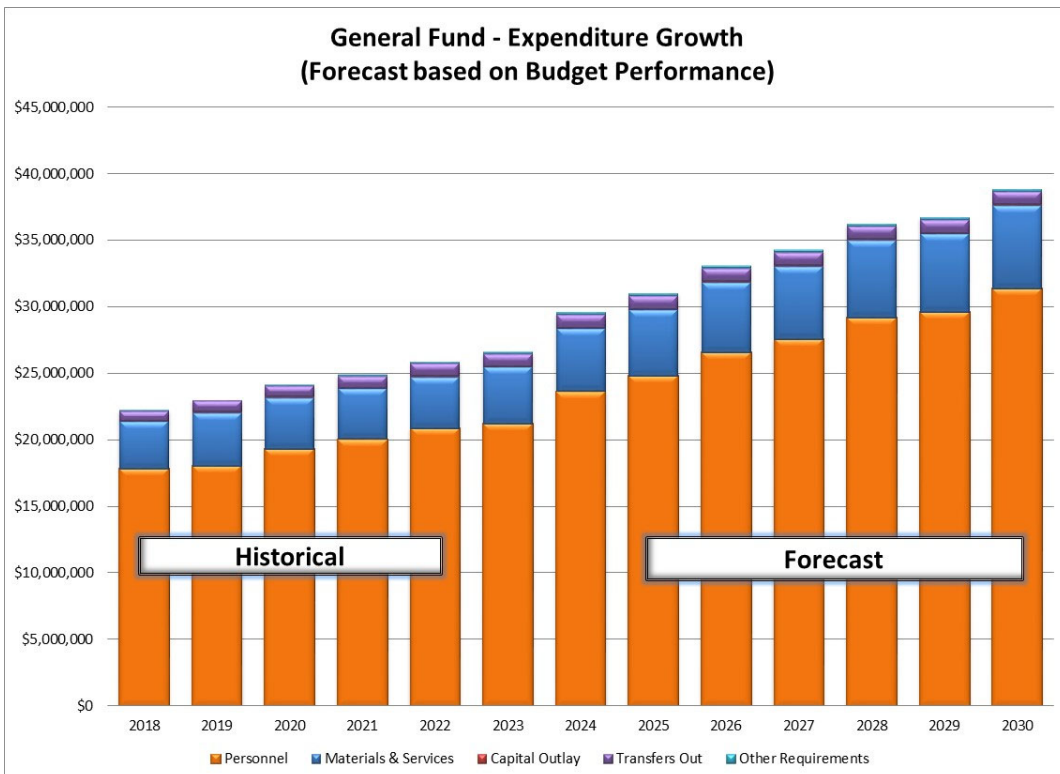
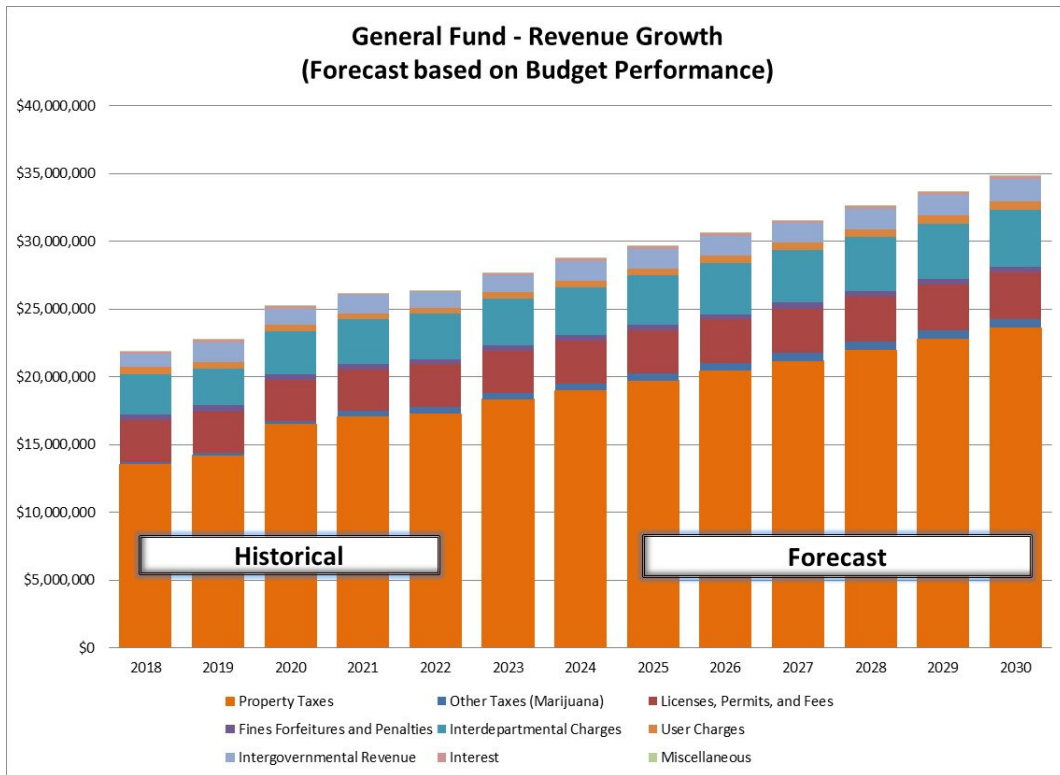


## Financial Forecasting

The City of Roseburg prepared a six-year General Fund Financial Forecast prior to the development of the FY 2024 budget. The six-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, and modeling anticipated changes in revenue and expenditure streams.



# More About Financial Planning



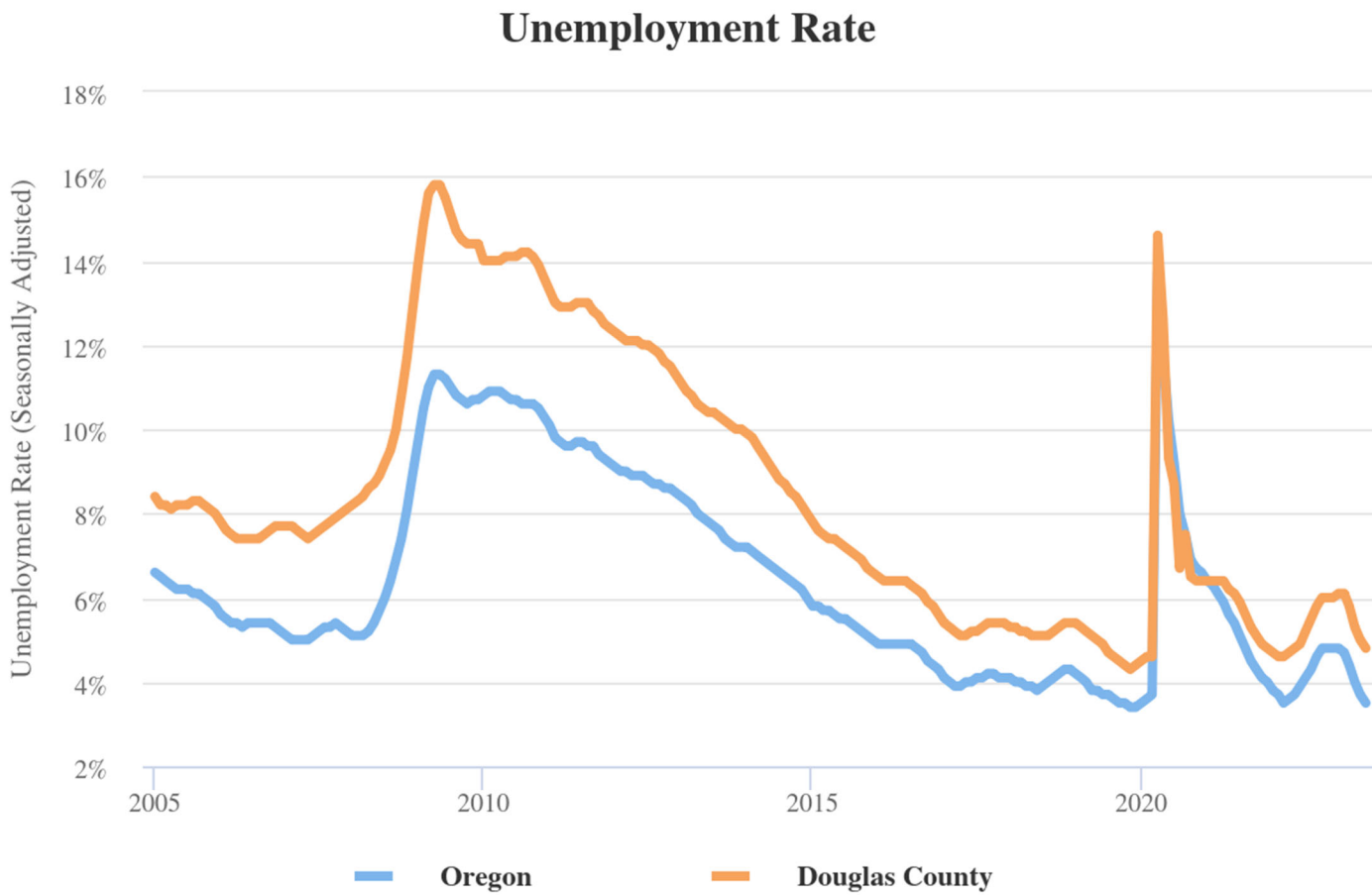


# Local Economy (as of June 2023)

At the close of the fiscal year ending June 30, 2023, the City continued to maintain a very healthy financial position. The following economic factors and information was considered as the 2023-2024 budget was being adopted.

In June 2022, the State of Oregon Employment Department reported; "Douglas County's seasonally adjusted unemployment rate dropped to 4.8% in June compared with a revised 5.0% in May. The rate is down from 4.9% in June 2022. Douglas County's record low unemployment rate was set in November 2019 at 4.3%. The Oregon seasonally adjusted rate was 3.5% and the U.S. rate was 3.6%."

"Douglas County has gained back 78% of the jobs lost in March and April 2020 at the onset of the COVID-19 crisis."



Source: Oregon Employment Department Qualityinfo.org

A review of the underlying figures to June’s seasonally adjusted unemployment rate decreasing year-over-year from 4.9% to 4.8% illustrate a weakening labor market; although moderating in the recent term. Comparing the underlying data to the previous month an understanding of a moderating labor market emerges.

- The civilian labor force decreased in June by -1,753 from June 2022, or -4%. However, the labor force also increased by 378 from May of this year, or 0.8%;
- The number of employed (or jobs) decreased in June by -1,404 from June 2022, or -3%. However, the number employed increased by 211 from May of this year, or 0.5%; and

The number of unemployed decreased by -349 in June from June 2022, or -15%. However, the number unemployed increased by 167 from May of this year, or 9%.

The most significant source of revenue for the City is taxes, including property, marijuana, state shared revenues, franchise and motel taxes. For the year ended June 30, 2023, taxes of \$24,691 made up 57 percent of governmental funds revenue.

- Property taxes are based upon valuations as of January 1 of every year, and with strong demand for housing translating into strong appreciation in the market, real market growth will not restrict the constitutionally mandated increase of assessed value by 3 percent. Consequently, property taxes should realize an annual growth of around 3 percent.
  - Marijuana taxes have decreased by -14% from the prior year. As we have come out of the COVID-19 restrictions it appears that consumption of recreational marijuana use has declined. Coupled with a reduction in market price for recreational marijuana it is anticipated that there will be no serious growth in marijuana revenues in the coming year.
  - Liquor and tobacco tax revenues shared by the State were mixed, while liquor tax revenues increased by 3 percent, tobacco tax revenues decline by -14%.
  - State shared revenues were down -2 percent which continues the recent trend of declining revenues from this source.
- Hotel/motel transient lodging taxes reversed their recent trend with a -8 percent decrease in revenues year-over-year.

**Principal Employers in 2023**

<u>Employer</u>	<u>Estimated No. Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employer</u>	<u>Estimated No. Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Roseburg Forest Products	1,600	1	4.12%	Roseburg School District	795	6	2.04%
CHI - Mercy Healthcare, Inc.	1,010	2	2.60%	Swanson Group, Inc.	765	7	1.97%
Seven Feathers Hotel & Gaming Center	1,000	3	2.57%	Douglas County Gov't	568	8	1.46%
Express Employment	856	4	2.20%	Orengo Systems	425	9	1.09%
VA Medical Center	851	5	2.19%	Umpqua Community College	377	10	0.97%
				Totals:	<u>8,247</u>		<u>21.21%</u>

**CITY OF ROSEBURG FINANCE DEPARTMENT**

RON HARKER, MPA  
FINANCE DIRECTOR  
[finance@cityofroseburg.org](mailto:finance@cityofroseburg.org)



**CITY OF ROSEBURG, OREGON**

**POPULAR ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

900 SE DOUGLAS AVE., ROSEBURG, OR, 97470 | PHONE (541) 492-6710 | [www.cityofroseburg.org](http://www.cityofroseburg.org)