

# CITY OF ROSEBURG, OREGON



*Photo by Anvil NW*

## POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



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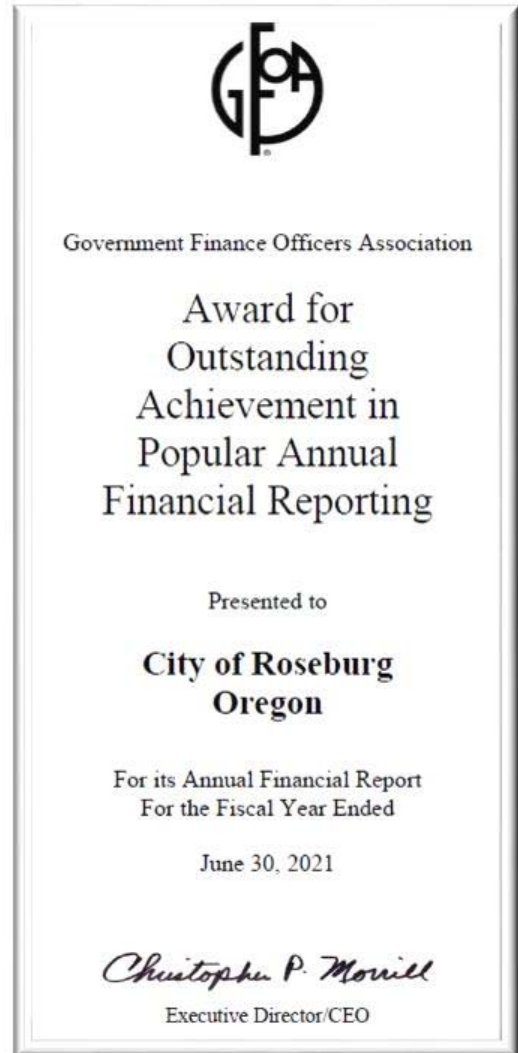
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The information in this report is drawn from the City of Roseburg Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022 and is consistent with GAAP. Please review the ACFR online, or email Finance Director Ron Harker 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 eight annual Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022. 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 twenty-nine consecutive years and now the *Award for Outstanding Achievement in Popular Annual Financial Reporting* for a seventh 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 12/31/22**



**Councilor Rummel  
Ward 1**

**Term 12/31/22**



**Councilor Moothart  
Ward 1**

**Term 12/31/24**



**Councilor Zielinski  
Ward 2**

**Term 12/31/24**



**Coun. Briggs Loosley  
Ward 2**

**Term 12/31/22**



**Councilor Prawitz  
Ward 3**

**Term 12/31/24**



**Councilor Cotterell  
Ward 3**

**Term 12/31/22**



**Councilor Cole  
Ward 4**

**Term 12/31/22**



**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.

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)

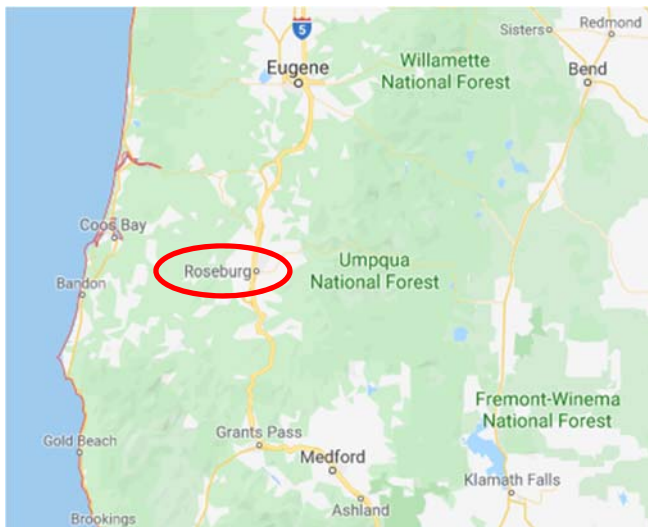




# About Roseburg

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 2022 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:	\$51.61million
Population (2022 Estimate):	23,804
Employees (Budgeted Positions):	170.85
Outstanding Debt:	\$3,686 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	4.98 million gallons
Number of Calls for Service - Police	40,242
Emergency Responses - Fire	6,914
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 2022 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, 2022 by \$224,074 (*net position*). Of this amount, \$20,537 (*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, 2022 increased by \$7,420 from June 30, 2021. The increase in the total net position is primarily the result of an increase to the City's Cash and Investments of \$5,413 and a reduction of the City's Net Pension Liability of \$11,727.
- The City's total liabilities decreased by \$12,833 from \$38,960 to \$26,127 in the current year. While regular debt service payments were made as scheduled, an \$11,727 decrease to the Net Pension Liability is the primary driving force for the decrease to liabilities.
- At June 30, 2022, the City's governmental funds reported combined ending fund balances of \$27,217, an increase of \$7,041 from the prior year which was largely driven by an increase of \$6,422 in cash and investments.
- At June 30, 2022, the City's business-type activities reported combined ending net position of \$89,803 an increase of \$949 over the prior year. Unrestricted net position decreased by \$(599) to \$15,507.
- At June 30, 2022, the unassigned fund balance for the General fund was \$10,539 or 44 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, 2022. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources by \$224.1 million at the close of fiscal year 2022. Net Position increased \$7.42 million largely due to an increase of \$5.77 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 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).

## Statement of Net Position

	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018
<b>Assets</b>					
Current assets	\$ 55,957,466	\$ 50,186,235	\$ 35,635,199	\$ 34,156,936	\$ 31,207,037
Capital and other	205,282,030	206,105,921	208,898,333	208,905,129	205,242,933
Total assets	261,239,496	256,292,156	244,533,532	243,062,065	236,449,970
<b>Deferred Outflow of Resources</b>					
Pension	9,973,868	9,485,682	8,140,956	8,513,710	8,326,155
Other Postemployment Benefits	304,043	355,223	383,726	51,393	52,515
Total Deferred Outflow	10,277,911	9,840,905	8,524,682	8,565,103	8,378,670
<b>Liabilities</b>					
Current liabilities	3,918,946	4,534,495	2,834,190	2,240,270	2,988,845
Long-term liabilities	22,208,034	34,425,241	31,078,668	28,563,307	29,411,810
Total Liabilities	26,126,980	38,959,736	33,912,858	30,803,577	32,400,655
<b>Deferred Inflow of Resources</b>					
Pension	12,997,501	1,987,568	1,836,204	2,476,857	1,741,477
Other Postemployment Benefits	1,646,885	1,573,922	1,377,551	1,562,752	21,035
Lease Resources	6,672,363	6,958,587	-	-	-
Total Deferred Inflow	21,316,749	10,520,077	3,213,755	4,039,609	1,762,512
<b>Net Position</b>	<b>\$ 224,073,678</b>	<b>\$ 216,653,248</b>	<b>\$ 215,931,601</b>	<b>\$ 216,783,982</b>	<b>\$ 210,665,473</b>





# Statement of Activities

The *Statement of Activities* reports all financial activity for the fiscal year ended June 30, 2022.

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 \$7,420 thousand primarily due to strong appreciation in property values that translated into strong property tax growth and increased grant revenues. For greater detail, see pages 17 and 18 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 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>
Revenues	\$ 48,565,907	\$ 45,323,889	\$ 43,098,203	\$ 50,415,434	\$ 46,817,583
Expenses	(41,145,477)	(44,602,242)	(43,950,584)	(44,296,925)	(41,442,094)
Increase in net position	7,420,430	721,647	(852,381)	6,118,509	5,375,489
Net position - beginning	216,653,248	215,931,601	216,783,982	210,665,473	206,766,469
Restatement	-	-	-	-	(1,476,485) ¥
Net position - ending	\$ 224,073,678	\$ 216,653,248	\$ 215,931,601	\$ 216,783,982	\$ 210,665,473

¥ Restatement required to recognize Other Post Employment Benefit (OPEB) Liability for Retirement Health Insurance Account (RHIA) as required by Government Accounting Standards Board (GASB) 75 and to correct booking of line-of-Credit in 2017

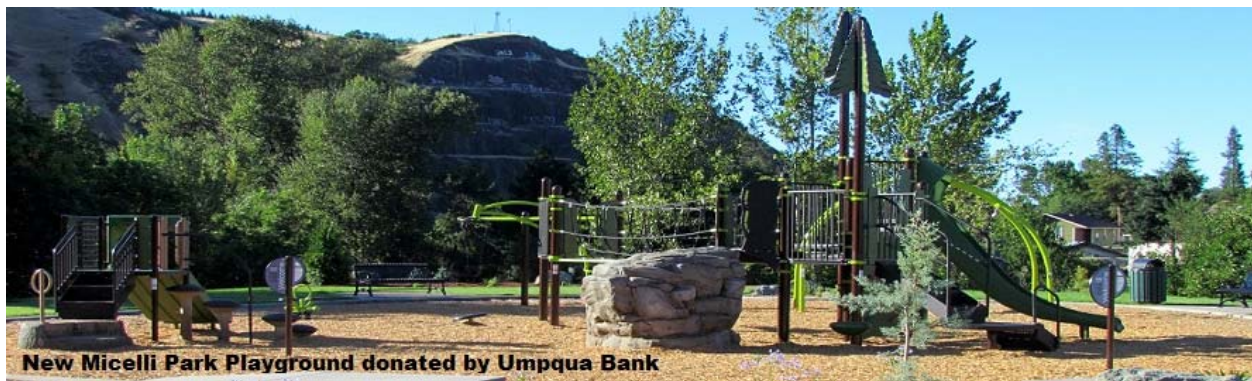




# Budget

The Citizen’s Budget Committee approved the FY 2022 budget which was then adopted by the City Council on June 13, 2021. To best illustrate trends, the fiscal year budget amounts are presented below for the last five fiscal years.

	<b>Budget Information</b>				
	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>
<b>City Budget:</b>					
Personnel Services	\$ 22,661,573	\$ 21,774,694	\$ 20,952,006	\$ 19,668,955	\$ 19,471,629
Materials & Services	11,291,494	11,103,000	10,944,347	12,538,780	9,305,465
Debt Service	621,207	600,179	592,336	1,291,216	1,603,568
Transfers	2,347,134	1,534,076	1,276,644	1,375,514	1,246,528
Other	104,186	95,318	21,000	-	5,000
Annual Operating Budget	37,025,594	35,107,267	33,786,333	34,874,465	31,632,190
Capital Outlay	7,053,560	5,616,769	6,991,780	7,183,995	7,593,603
Reserves	40,873,292	38,353,627	32,555,227	29,301,437	24,757,019
<b>Total City Budget</b>	<b>\$ 84,952,446</b>	<b>\$ 79,077,663</b>	<b>\$ 73,333,340</b>	<b>\$ 71,359,897</b>	<b>\$ 63,982,812</b>



# 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 23 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

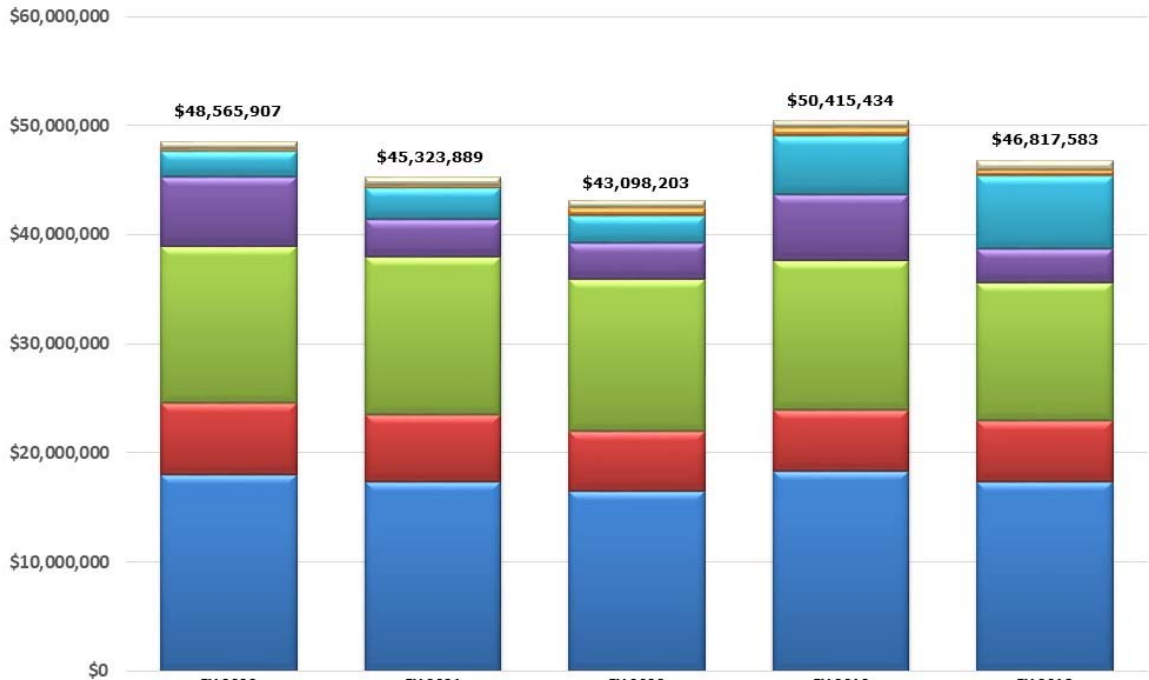


**<\$0.004**  
4H  
Extension  
Service

Tax revenues increased \$1.123 million from the prior year. Property taxes for general purposes increased \$200 thousand. Operating grants and contributions increased \$2.997 million from the prior year.

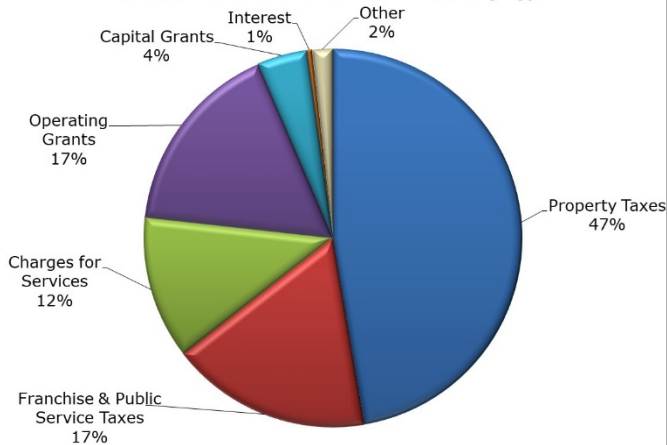
# More About Revenues

City Wide 5 YR Revenue Trend by Type

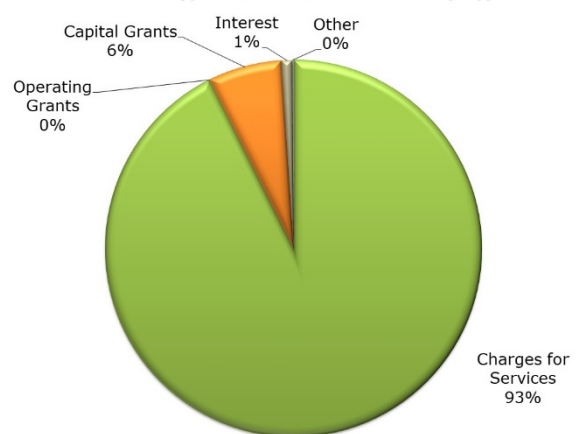


	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Other	678,659	753,870	654,889	610,126	913,919
Interest & Investment	252,581	280,115	662,090	721,487	463,572
Capital Grants	2,299,165	2,920,333	2,560,666	5,414,735	6,713,005
Operating Grants	6,404,919	3,408,324	3,309,839	6,061,615	3,109,489
Charges for Services	14,334,329	14,488,021	13,952,288	13,720,765	12,708,650
Franchise & Public Service Taxes	6,550,947	6,100,327	5,471,470	5,567,873	5,549,481
Property Taxes	18,045,307	17,372,899	16,486,961	18,318,833	17,359,467

Governmental Revenues for FY 2022 by Type



Business-Type Revenues for FY 2022 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.

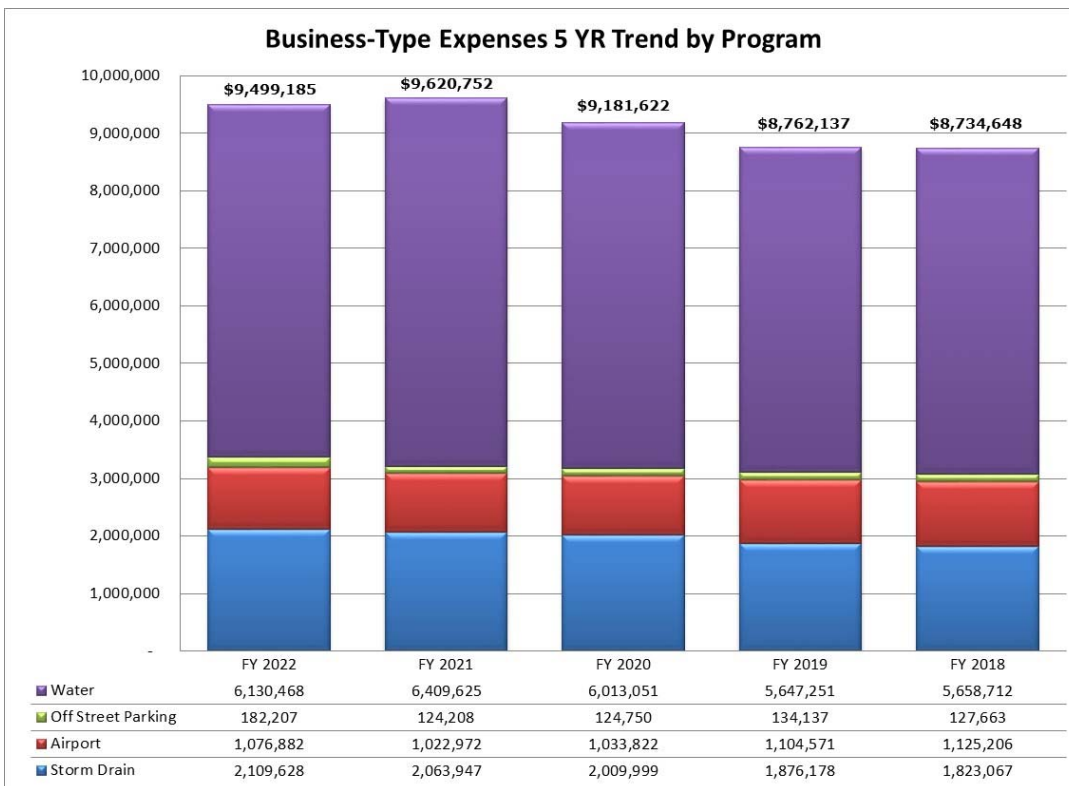
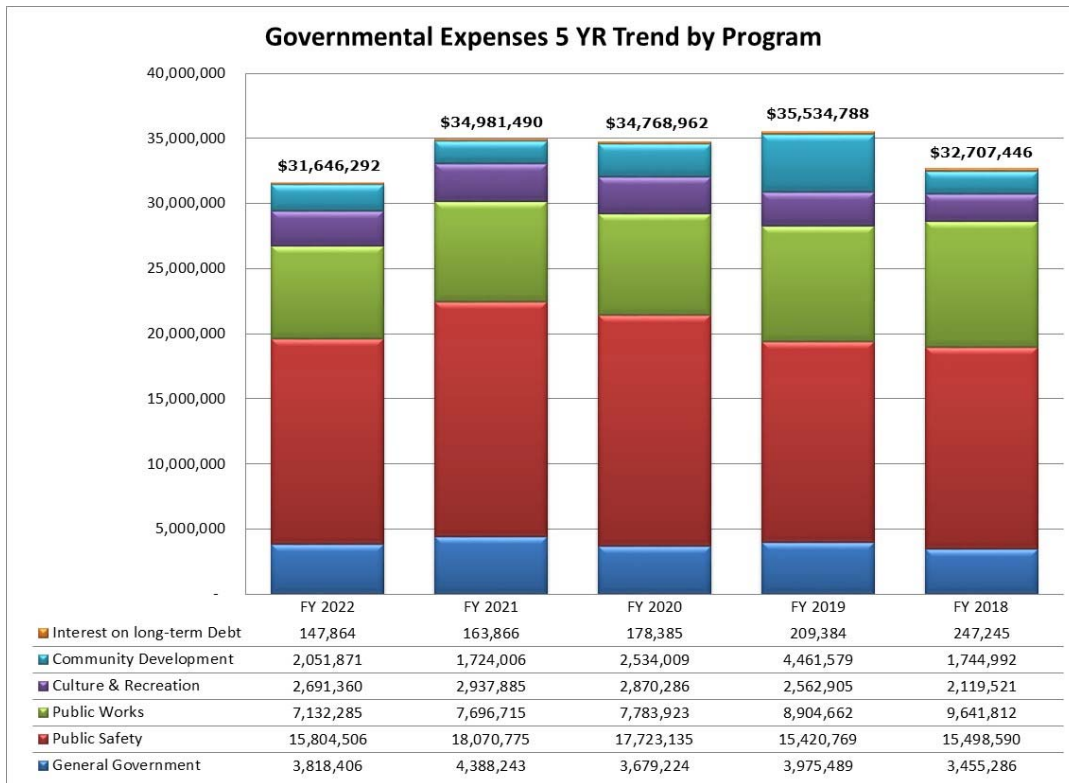
**Debt Service** – Interest Expenses related to debt retirement.

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



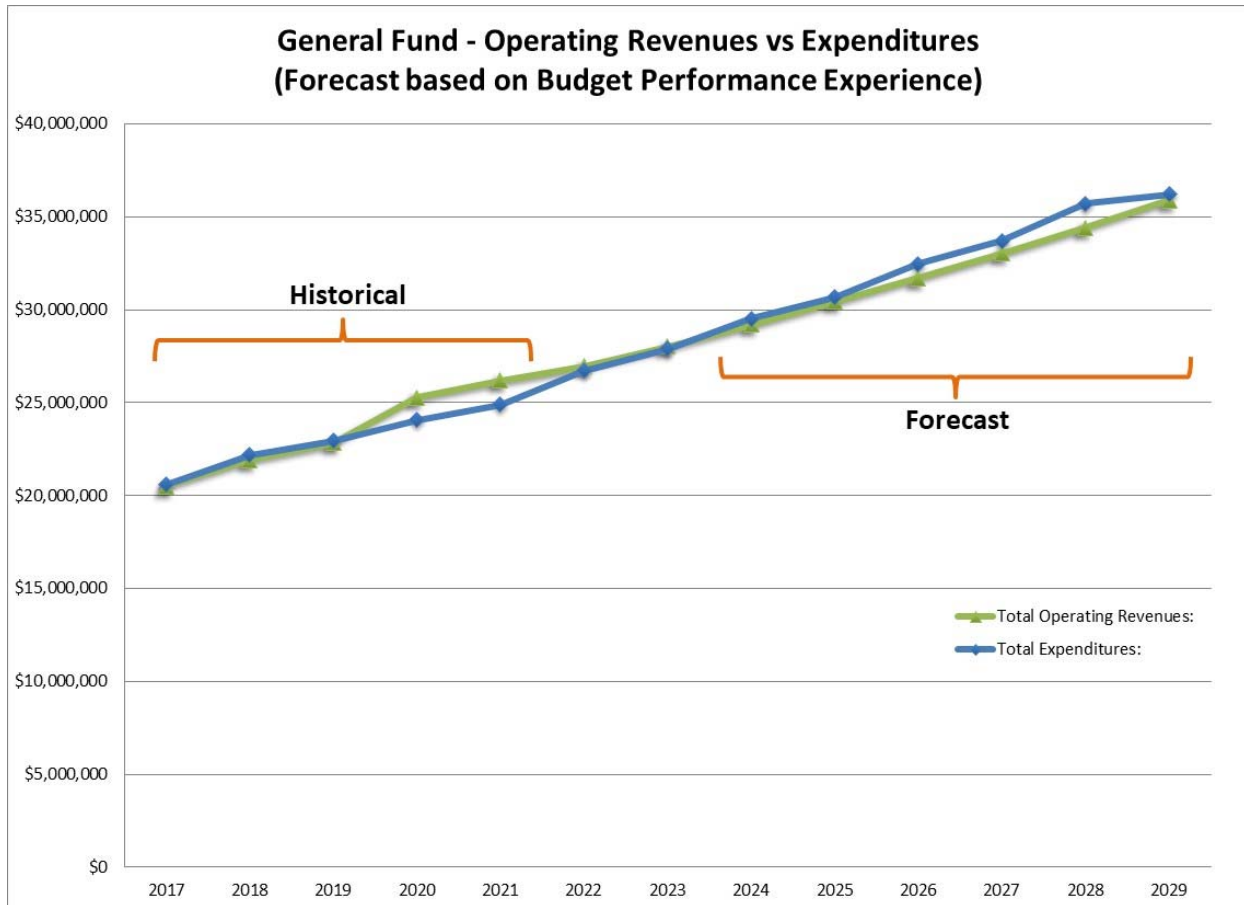
Total expenses decreased \$3.46 million in 2022 primarily due to staffing shortages experienced in the Fire and Police Departments and a reduction in capital outlays.

# More About Expenses





# Financial Planning

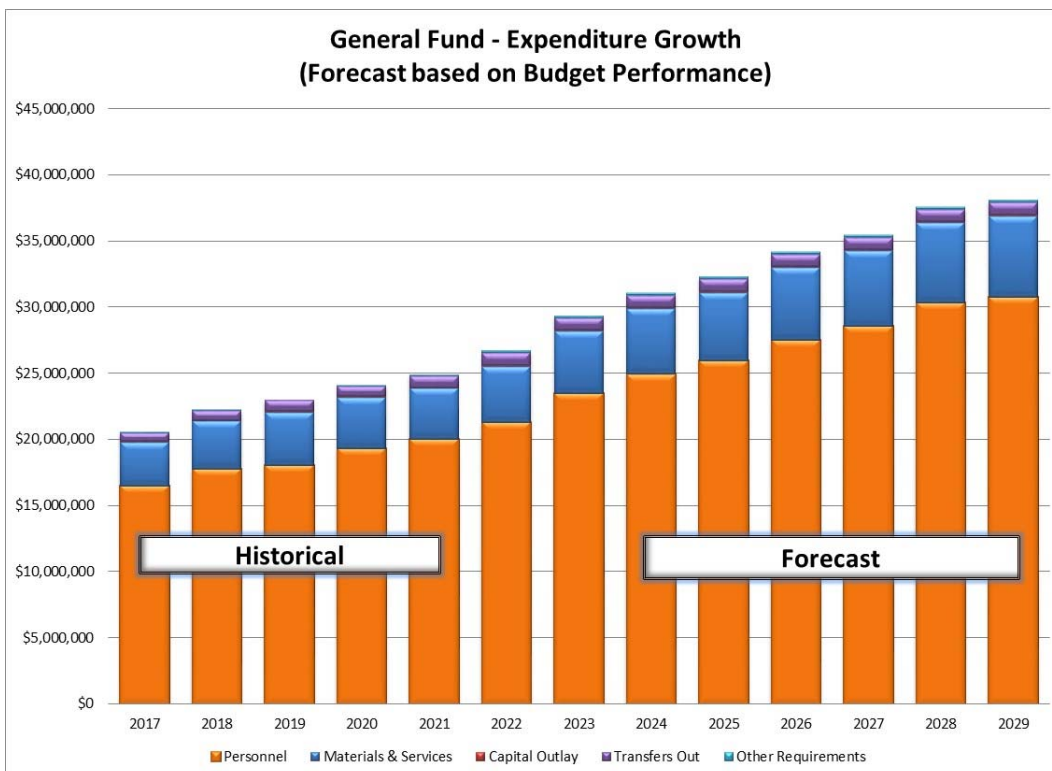
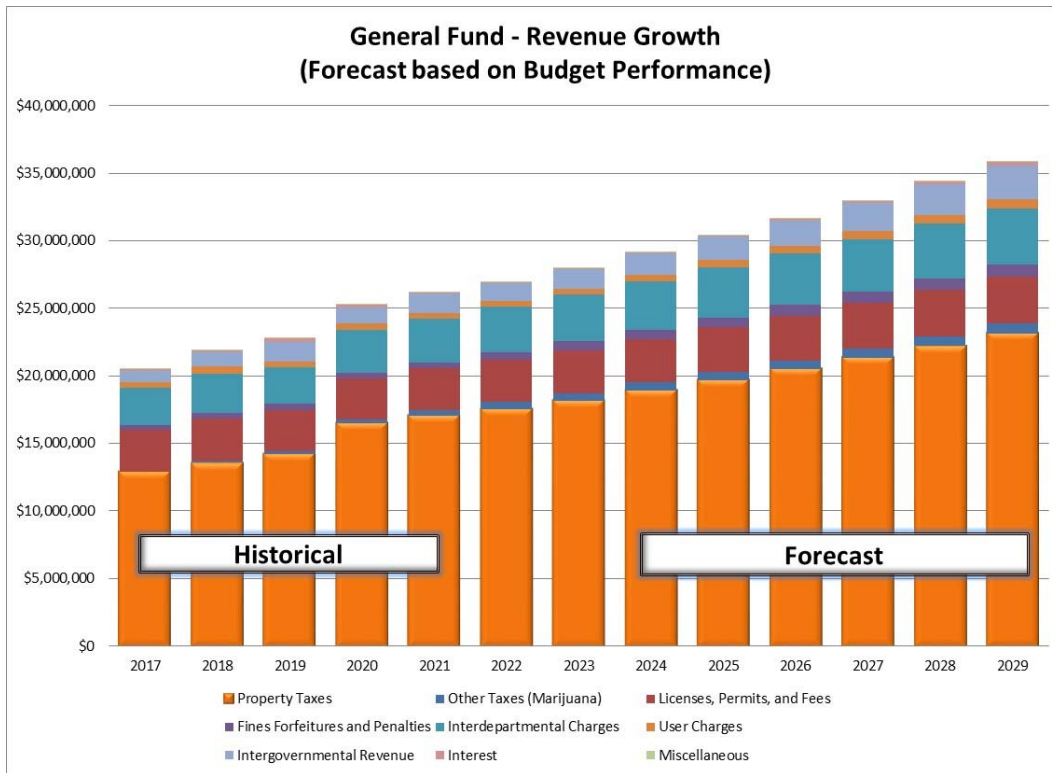


## Financial Forecasting

The City of Roseburg prepared a six-year General Fund Financial Forecast prior to the development of the FY 2023 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



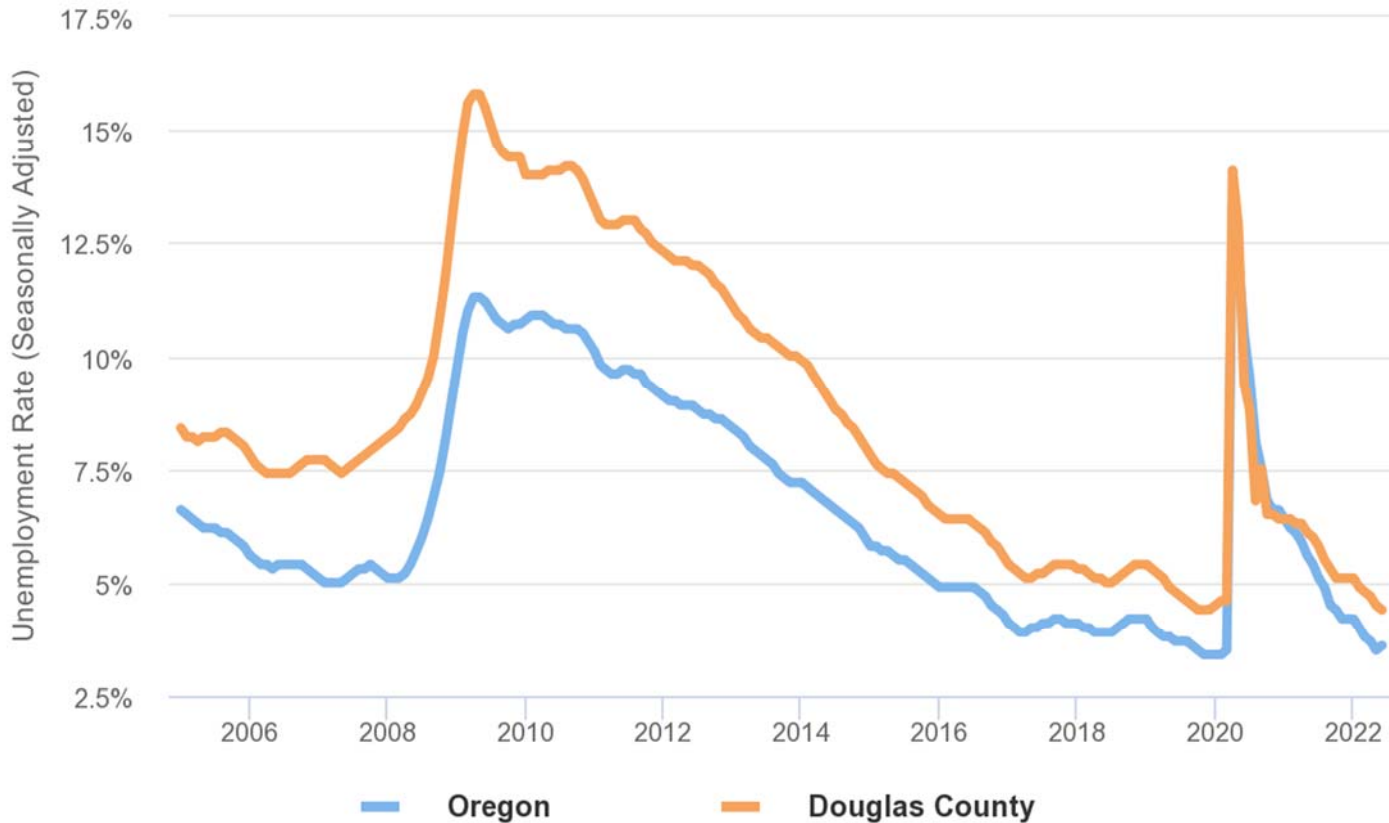


# Local Economy (as of June 2022)

At the close of the fiscal year ending June 30, 2022, the City continued its recovery from the COVID-19 induced impacts. The City continues to maintain a very healthy financial position. The following economic factors and information was considered as the 2022-2023 budget was being adopted.

The State of Oregon Employment Department reported; "Douglas County's seasonally adjusted unemployment rate edged down to 4.4% in June compared with a revised 4.5% in May. June's unemployment rate matches the record low set in October 2019. The rate is down from 6.0% in June 2021, The Oregon seasonally adjusted June rate was 3.6% and the U.S. rate was 3.6%."

## Unemployment Rate



Source: Oregon Employment Department [Qualityinfo.org](http://Qualityinfo.org)

A review of the underlying figures to June’s seasonally adjusted unemployment rate dropping year-over-year from 6.0% to 4.4% indicate a solid basis for growth. However, when comparing to the previous month, the underlying data may indicate an emergence of economic slowing. The drop in the unemployment rate from the prior month was not due to increased employment but rather a reduction in the labor force.

- The civilian labor force decreased by -430 year-over-year or -0.89%. The labor force also declined by -116 from May of this year;
- The number of employed (or jobs) increased by 530 year-over-year or 1.17%, however, they decreased by -487 from May of this year; and
- The number of unemployed decreased by -960 year-over-year or -30.39%, however, they increased 371 from May of this year.

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, 2022, taxes made up 62 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 continue their sharp year-over-year growth increase with a 14 percent increase from the 2021 fiscal year. The annual growth did slow this year as we come out of the pandemic and it is anticipated that marijuana tax growth will begin to stabilize and growth will be projected at 3 percent annual growth.
- Liquor and tobacco tax revenues shared by the State were down by 6 percent and 15 percent respectively. State shared revenues were down just 0.7 percent which essentially puts it on par from the previous year.
- Hotel/motel transient lodging taxes continue to experience sharp growth with a 31 percent increase in revenues year-over-year

**Principal Employers in 2022**

<b>Employer</b>	<b>Estimated No. Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employer</b>	<b>Estimated No. Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Roseburg Forest Products	1,599	1	4.23%	Express Employment	856	6	1.58%
VA Medical Center	1,275	2	3.37%	Swanson Group, Inc.	766	7	1.26%
CHI - Mercy Healthcare, Inc.	1,007	3	3.37%	Douglas County	700	8	1.22%
Seven Feathers Hotel & Gaming Center	1,000	4	1.85%	Umpqua Community College	437	9	1.02%
Roseburg School District	891	5	1.67%	Orencia Systems	426	10	0.91%
				<b>Totals:</b>	<b>8,957</b>		<b>20.48%</b>

**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, 2022**

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