

City of Manzanita
2017-2018 Budget



City Of Manzanita

Fiscal Year 2017/2018

BUDGET COMMITTEE

Mayor Mike Scott
Council President Leila Salmon
Councilor Linda Kozlowski
Councilor Hans Tonjes
Councilor Scott Galvin

STAFF

City Manager Jerald P. Taylor
Budget Officer Jerald P. Taylor
Asst City Manager Cynthia Alamillo
Public Works Director Dan Weitzel

CITIZEN REPRESENTATIVES

Terry Staehnk
Phil Mannan
David Dillon
Tarry Mueller
Jim Nickey

Police Chief Erik Harth

CITY OF MANZANITA

BUDGET COMMITTEE MEETING

AGENDA

MAY 08, 2017

- I. Call Meeting to Order – 4:00 P.M.
Council Chambers
- II. Election of Chair & Vice
Chair for 2017/2018
- III. Presentation of Budget
Message by Budget Officer
- IV. Overview of Budget by
Budget Officer &
Department Heads
- V. Adjournment

MAY 16, 2017

- I. Call Meeting to Order – 4:00 P.M.
Council Chambers
- II (Cont.) – Overview of Budget
By Budget Officer &
Department Heads
- III. Adjournment

MAY 17, 2017

- I. Call Meeting to Order – 7:00 P.M.
Council Chambers
- II. Approval of Minutes
- III. Public Hearing on Proposed
Uses of State Revenue Sharing
for 2017/2018
- IV. Public Comment on 2017/2018
Proposed Budget
- V. Consideration & Deliberation
of 2017/2018 Proposed Budget
- VI. Setting of Property Tax Rate
For 2017/2018
- VII. Approval of 2017/2018 Budget
(Amended as Necessary)
- VIII. Adjournment

CITY OF MANZANITA

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CITY OF MANZANITA

2017-18 BUDGET MESSAGE

Members of the Budget Committee:

I am pleased to present to you the proposed budget for the operation of the City of Manzanita for fiscal year 2017-18. The City department heads and I have done our best to estimate and forecast the revenues and expenditures needed for meeting the community's demand for services through the next fiscal year, which ends June 30, 2018.

The City's main revenue streams - monthly water service charges, property taxes and transient lodging taxes - all appear to be coming in above the levels budgeted in the current fiscal year. The October, 2014 water rate increase appears to be producing the level of revenues anticipated in the rate study, although the needs of the water system may require that rates be reexamined in the near future. With the active tourist season last summer, the amount of transient lodging tax received is well above the estimate. The proposed 2017-18 Budget continues the City's philosophy of underestimating revenues during the budget process. The economy continues to improve, but these revenue streams may level off eventually.

The current fiscal year has offered more than its share of challenges. The unexpected tornado last October 14 resulted in unanticipated clean-up expenses; and some of the projects anticipated for 2016-17 have been rebudgeted for 2017-18. The Carmel Avenue Reconstruction Project hit a major snag when the contractor defaulted on the contract before the project was completed. Although the project was protected by performance and payment bonds, the construction payments may extend into the 2017-18 fiscal year. The funds necessary to undertake the Carmel project were assembled over three budget years. When the Carmel project is completed, the City's resources will be reduced, and no new major projects are anticipated for 2017-18. With that said, the City may need to undertake a number of smaller projects to respond to the storm drainage and road damage issues resulting from the unusually cold and wet winter the City experienced recently.

I believe that the 2017-18 fiscal year will be a planning year and a time to develop a strategy for undertaking the improvements needed by the community. It is anticipated that the City Council will adopt a goal of developing a capital improvements plan which will address street, water, storm drainage and city office space needs with a coordinated, strategic approach. The proposed budget anticipates current resources, although additional revenue sources may be discussed as part of this process.

This budget reflects no additional regular staff positions. I am now working on a half-time basis as I transition into full retirement in a year or two. A full time Assistant City Manager has been hired to cover some of my duties and to provide an opportunity to train someone who eventually the Council may choose to take my place.

The proposed budget anticipates a 9.0% increase to the employee salary ranges based upon the Portland Consumer Price Index annual increase (2.1%) and a survey of salaries and benefits offered by other comparable Cities. The competition for qualified applicants has become greater, and it is important that compensation levels be kept high enough to retain an excellent City staff. Beginning in January, there will be roughly a 5% increase in the cost of medical and dental insurance for employees. In the 2017-18 fiscal year, the City must pay an average increase of 3.9% of salaries into the State retirement system. This increase was anticipated, and half of that increase was included in the 2016-17 budget in order to cushion the impact of the increase..

The permanent property tax rate for Manzanita is \$.4233 per \$1000 of assessed valuation, and the full levying of this rate is recommended. Under the tax system approved by voters in 1997 under Measure 50, the Budget Committee formally sets the property tax rate as long as it does not exceed the permanent rate. The City currently has no bond issues for which it is levying a property tax.

Narratives are included in front of each set of budget pages with descriptions of upcoming activities and reasons for changes in expenditures and revenues. Please review them for information on more specific proposals.

The community's resources are prioritized during the budget process to meet competing goals and objectives. The City staff is proposing to allocate the community's resources to provide a reasonable level of current services and a reasonable level of savings for future needs. The budget is a plan, not an accounting report. As always, I encourage the Committee and other readers to review and study this document in detail and comment on the level of services it seeks to provide.

Respectfully submitted,

Jerald P. Taylor
City Manager/Recorder
City Budget Officer

ORGANIZATION OF THE BUDGET

The budget is prepared on the cash basis of accounting which is consistent with the current adopted budget. The budget contains separate balanced resources and expenditures for each fund. It is summarized by major expenditure categories within each organizational unit. Budget appropriations in the General Fund are by department to give the departments some flexibility in making expenditure decisions while still under the appropriation control of the City Council.

The funds that will be used by the City of Manzanita for financial management and accountability during the fiscal year are described in the following paragraphs:

Operating Funds

The General Fund accounts for the administrative, public safety (police), municipal court, parks, building and planning functions of the City. Principal sources of cash consist of license and permit fees, transient room taxes, transfers from other governmental agencies, and the property tax levy.

The Road Fund accounts for the City's share of the State of Oregon's gas tax revenues. The use of these receipts is restricted to street maintenance and repair, and bike paths. Other revenues include franchise fees, grants and transfers from other City funds.

The Water Operating Fund accounts for revenue from water supplied to residents of the City as well as residents within the Urban Growth Area. Receipts are derived from billings to water users, and expenses are for costs of operations, depreciation and system replacement and expansion.

System Development Charge Uses

The Water Construction Fund receives revenue from the Water Operating Fund and system development charges, and serves as an account for capital projects related to the City's water system improvement plan. It is currently the largest City fund.

The Park Facilities Fund accounts for the revenues from park facility system development charges, which are used for the development of City parks.

The Storm Drain Facilities Fund accounts for the revenues from storm drain system development charges, which are used for the renovation and improvement of the City storm drain system. Improvements have been identified in the Storm Drainage Master Plan, which was updated in fiscal year 2005-06.

Reserve Funds

The Public Works Equipment Reserve Fund accounts for the transfer of funds from the Water Operating and Road Funds for the purchase of equipment which benefits the water, storm drainage, roads and parks operations.

The Public Safety Equipment and Facilities Reserve Fund accounts for the transfers of funds from the General Fund for the purchase of major equipment and vehicles for the Law Enforcement Division. The fund previously held monies for fire equipment and facilities which were turned over to the Nehalem Bay Fire and Rescue District when it was formed in fiscal year 2008-09.

The City Hall Expansion Fund is a reserve fund created to accumulate monies for property acquisition, the future expansion of City Hall or the remodeling of other City buildings to house City offices.

Other Funds

The Timber Management Fund accounts for the revenues generated by the periodic sale of timber on City-owned property. Revenues derived from timber sales are used for managing City owned timber resources and for major capital improvement projects.

The Just Fund accounts for revenues from donations for specific City or community projects or for specific City volunteer organizations that do not have separate tax-exempt status. The purpose is to provide a clear way to assure persons donating for a specific project or volunteer organization that their monies are going towards the intended use.

The Housing Rehabilitation Revolving Loan Fund was created in 1998-99 to account for loan repayments from recipients of no-interest loans awarded by a Community Development Block Grant for housing rehabilitation. Receipts from this fund can be loaned again to other low and moderate income homeowners.

The Tourism Promotion and Facilities Fund was created in 2012 to account for 70% of the revenues from a 2% increase in the transient lodging tax. These revenues are required by State Statute to be used for tourism promotion and tourist-related facilities as defined in the Statute.

The Puffin Lane Local Improvement District (LID) Fund was created in 2014 to account for construction of storm drainage improvements within the Local Improvement District formed by the property owners adjacent to Puffin Lane between Nehalem Avenue and Garey Street within the Manzanita Urban Growth Boundary. The improvements were completed, and the fund now accounts for assessments on the properties to repay the loan which financed the improvements.

**CITY OF MANZANITA
CITY COUNCIL
STATEMENT OF GOALS**

Preamble

In conducting its business and pursuing the following goals, the City of Manzanita City Council is committed to informing and listening to residents, second homeowners and businesses in identification of and solutions to community issues. The Council invites and encourages citizen involvement in the development of City programs and services.

Goal I

Complete a plan to relocate City Hall, including the identification of a possible new location, funding strategy and determination of which City services will be consolidated into one building. Complete the accessibility and security improvements to the current City Hall as an interim step.

Goal II

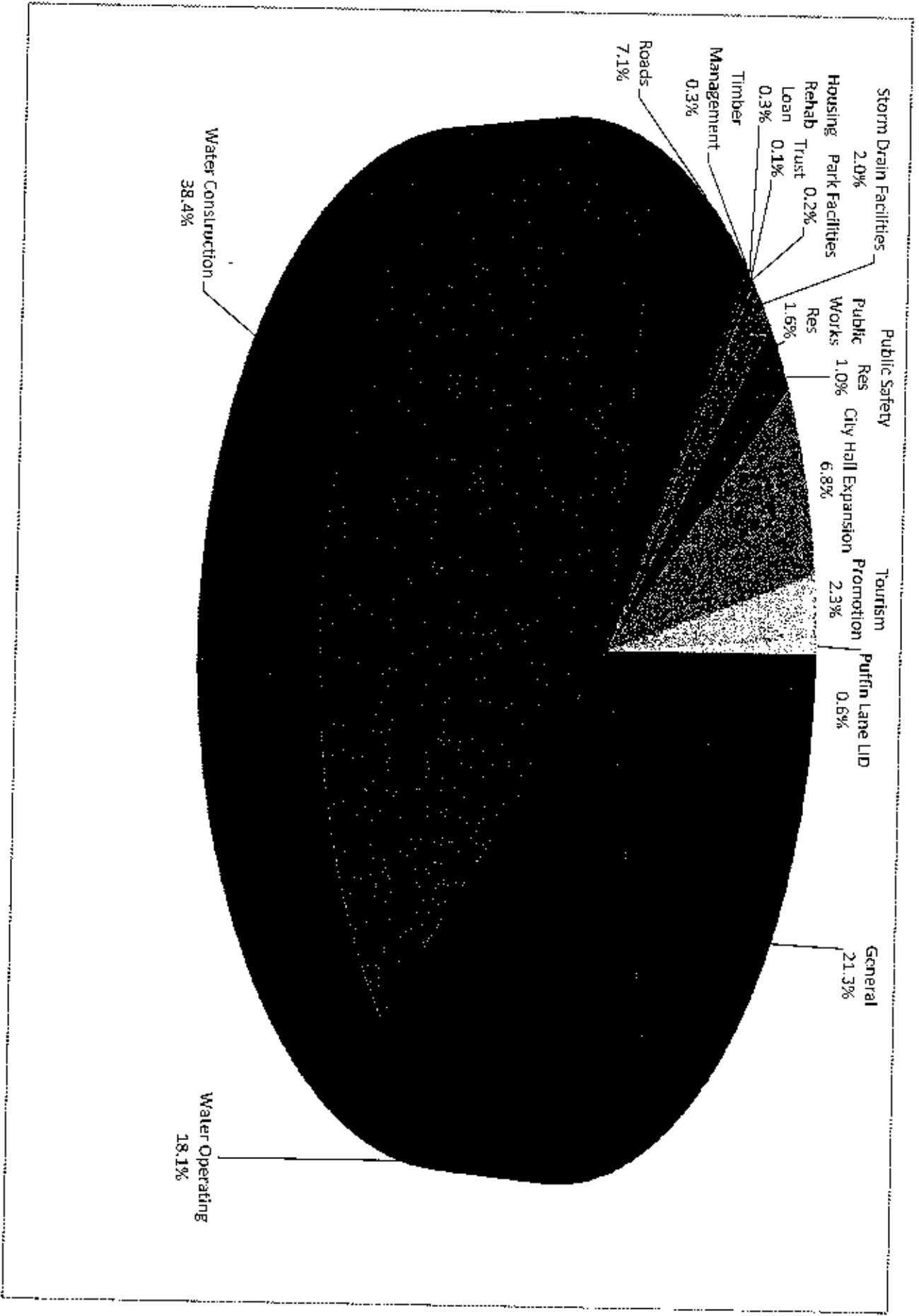
Develop an emergency preparedness plan that will result in increased City capabilities to address a major catastrophic event, including necessary seismic retrofitting of city infrastructure, improved street signage, and pursuit of opportunities for regional preparedness.

Goal III

Develop a capital improvements plan that considers financial feasibility and strategies to accomplish projects to improve the storm drainage system, water distribution and storage system, and road system.

Goal IV

Identify a shared vision for the long-term future of the community and strategically direct efforts and resources towards achieving the City Council goals that support the vision while responding to evolving citizen input.



City of Manzanita
 2017-18 Proposed Budget
 \$7,833,956

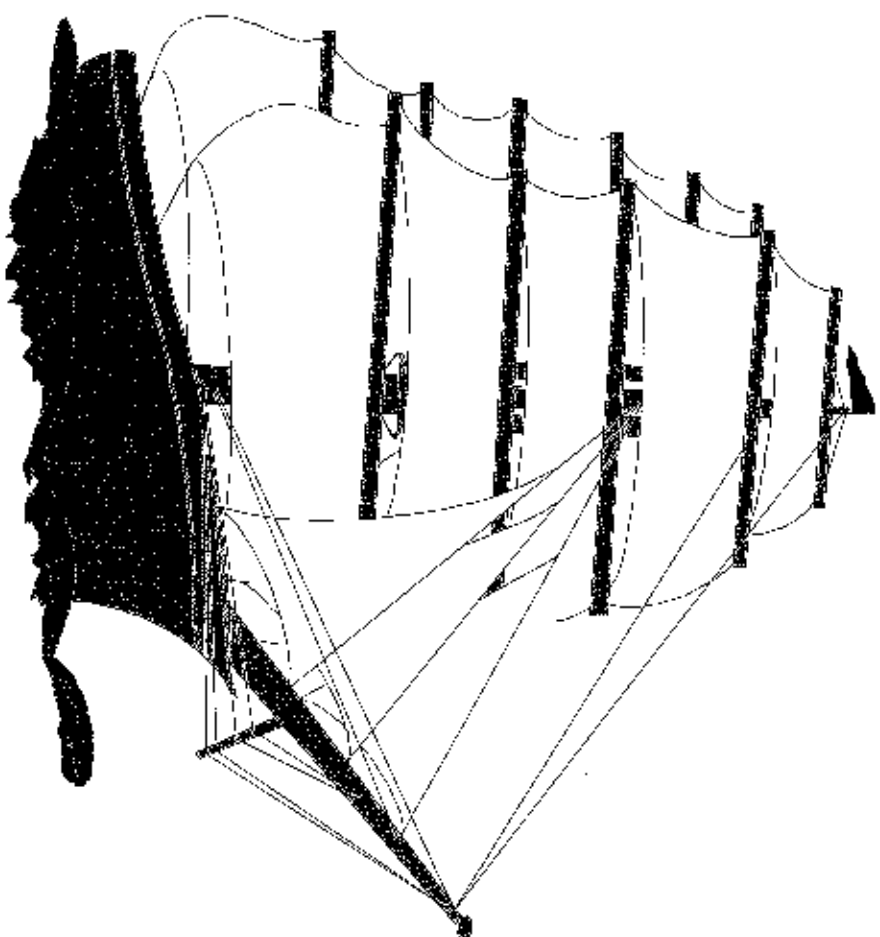
SUMMARY OF PERSONNEL SERVICES

2017-18

	%	Admin	Building	Court	Police	Parks	Water	Water Treat	Roads	TOTAL
Social Security	6.20%	6,121	858	1,649	17,605	996	14,221	2,051	2,087	45,587
Medicare	1.45%	1,432	201	386	4,117	233	3,326	480	488	10,662
Workers Comp		250	150	300	10,200	800	8,900	1,100	3,100	24,800
Unemployment	1.50%	1,481	207	399	4,259	241	3,441	496	505	11,029
PERS	29.40%	0	0	0	23,158	0	0	0	0	23,158
OPSRP general	19.01%	13,472	2,629	5,056	1,898	3,053	38,307	6,289	6,399	77,103
OPSRP police/fire	23.78%				46,417	0	0	0	0	46,417
Life Insurance					200					200
Medical Dental		18,059	5,495	4,674	75,012	6,962	62,562	10,028	13,981	196,763
Subtotal Salaries		98,729	13,831	26,597	283,944	16,061	229,372	33,085	33,660	735,280
Subtotal Fringe		40,815	9,539	12,464	182,865	12,285	130,746	20,445	26,560	435,719
Subtotal Unexp 3%		4,186	701	1,172	14,004	850	10,804	1,606	1,807	35,130
										TOTAL GENERAL FUND
										718,045
4/27/17		Admin	Building	Court	Police	Parks	Water	Water Treat	Roads	TOTAL
TOTAL Salaries		98,729	13,831	26,597	283,944	16,061	229,372	33,085	33,660	735,280
TOTAL Fringe		45,001	10,241	13,635	196,870	13,136	141,550	22,050	28,366	470,849
TOTAL Persnl Sys		143,730	24,072	40,232	480,814	29,197	370,922	55,135	62,026	1,206,129

PERCENTAGE BREAKDOWN BY POSITION

City Manager	50%									TOTAL
Asst City Manager	50%									100%
Administrative Assistant	15%		20%							100%
Municipal Court Clerk	30%									100%
Office Support Specialist	55%		10%							100%
Police Chief					25%					100%
Police Officer (3)					100%					100%
Public Works Director						1%				45%
Senior Utility Worker						10%				70%
Utility Worker (2)						15%				60%



General Fund

BUDGET NOTES

GENERAL FUND

REVENUES

The General Fund accounts for the general operations of the city. Revenues include ad valorem taxes, transient lodging taxes, franchise fees, state apportionments, building permits, business licenses, public safety contracts and other items.

Transient Lodging Tax revenue continues to be the largest General Fund revenue source. As tourism has increased over the last few years the amount of revenue from this source has continued to increase significantly. The City Council approved an increase in the Transient Lodging Tax in 2012. But by State statute, only 30% of the increased revenue may be used for general purposes. Cash carryover includes the reserve line items for park equipment, health insurance and civic improvements, and this carryover is shown as a separate line item. The City Council increased the short term rental license fee in 2014, and the increment of increased revenues is reflected in the reserve for Civic Improvements. The Intergovernmental Agreements line item reflects the amounts anticipated to be received from the Cities of Nehalem and Wheeler and from Oregon State Parks for supplemental police services. The transfer from the Tourism Promotion and Facilities Fund represents the fourth of five installments to repay the General Fund for funds used to acquire the Visitors Center property in 2013.

EXPENDITURES

ADMINISTRATION DEPARTMENT

The amount of Personnel Services reflects the new Assistant City Manager position and the reduction of the City Manager position to a half-time contract position. The Professional Services line item reflects the anticipated need for legal advice and other professional assistance due to applications and issues anticipated for next year. A position classification study, which has not been done since 1999, is also anticipated. The Travel and Training line item reflects, in addition to staff training, the interest by City Councilors to attend training and other meetings outside of the area. (The League of Oregon Cities conference is in Portland this year, for example.) The Office Equipment line item includes monies for miscellaneous chair and file cabinet replacement that may be needed during the course of the year.

PUBLIC SAFETY – LAW ENFORCEMENT

This department accounts for the costs of the Police Chief, 3 full time Police Officers and .25 FTE of an Office Support Specialist. The City also provides paid coverage to Wheeler, Nehalem, and Nehalem Bay State Park by intergovernmental agreement. The Dues and Subscriptions line item contains \$1,950 for services by Lexipol, which is a police training service designed to keep officers abreast of policies in critical areas and provide ongoing documented training to protect the City's liability exposure. This line item also covers the City's assessment for the maintenance of the mobile data terminals (MDT) in each of the police vehicles and the maintenance of the Countywide Report Management System. The Vehicle /Equipment Maintenance line item is reduced slightly from last year due to the lower anticipated cost of fuel for the patrol vehicles.

BUILDING DEPARTMENT

Beginning this year, building inspection services will be provided through an intergovernmental agreement with the City of Cannon Beach. The two Cities will share in the cost of a full time position with Manzanita having 15 hours of service per week. Contract services will now represent the agreed cost share for this position. There is a percentage of the Administrative Assistant's and Office Support Specialist's time to support the Building Department, which is included in the proposed budget. The Department is becoming more self supporting than in the past with the current and anticipated upswing in construction activity. State law provides that any building permit revenues collected must be used in this Department. In the last few years, however, expenditures have exceeded actual program revenues resulting in general revenues being used to support the clerical support positions used by the department.

COURT DEPARTMENT

The Municipal Court Clerk position is full time, but only 0.6 FTE is charged to this department. The Clerk position also provides general clerical support for the Administration office, including water service account management. Fine revenue which supports this department has been increasing as the Court has taken a more aggressive position in collecting past due unpaid fines. The City is also taking a more aggressive position in enforcing short term rental regulations. The Municipal Court Judge provides services for a small monthly stipend.

Bail refunds, assessments on fines, and agency distributions are handled in the General Ledger outside of the Budget as advised by the City Auditor. The only revenue reflected in the budget is the City's share of fine revenue. This department has been self supporting in the past, and it is anticipated that the Court will be self supporting next year and also provide revenues for supporting law enforcement activities.

PARKS DEPARTMENT

The City Park was almost completely renovated in 2005, and funds have been reserved annually for eventual repair and replacement of park facilities. The amount for personnel services reflects the cost of maintaining the restrooms and additional grounds maintenance during the spring and summer months. City staff now provides the lawn and landscaping maintenance previously provided by a private contractor. Maintenance of the 5th Street restrooms and grounds and of the Visitors' Center restrooms is also included in this budget.

The Park Maintenance line item contains funds for replacing damaged play equipment, if necessary, renovation of Park restroom and storage building, and resurfacing of the tennis court.

CIVIC IMPROVEMENTS RESERVE

In 2005, the City Council increased the short term rental permit fee and the business license fee. The Council directed that the increment from the increased fees would be placed in a reserve account to fund civic improvements, such as the handicapped access ramp to the beach, road improvements, street furniture for Laneda, holiday decorations, and other amenities. Due to the amount of money to be put into this reserve, the City's auditor suggested that a new department be formed in the General Fund which would account for the expenditures from this reserve. This is the twelfth year of the Civic Improvements Reserve, and it is proposed that some of the monies be transferred to the Road Fund for street improvement projects. An amount is proposed to be held in the Professional Services and Equipment line items for miscellaneous projects that may be identified during the year.

NON-DEPARTMENTAL

This department is utilized for transfers and expenditures normally made only once a year and which do not pertain to a specific department of the General Fund. In 2005, the Council and Budget Committee decided to end the practice of awarding funds to organizations outside of the City organization unless a direct service was being provided that the City would otherwise have to provide on its own.

Dues and Memberships include those for the League of Oregon Cities, Local Government Personnel Institute, Oregon State Cooperative Purchasing, Economic Development Council of Tillamook County, Oregon Coastal Zone Management Association, Oregon Government Ethics Commission, and Columbia-Pacific Economic Development District.

The transfer to the Public Safety Equipment Reserve Fund is \$26,200, which reflects the amortization of the costs for Police vehicles. A transfer of \$200,000 is proposed to the Road Fund, which includes 30% of the current revenues from the 2012 increase in the Transient Lodging Tax. With the identification of a significant number of storm drainage needs last winter, a transfer of \$100,000 is proposed to the Storm Drain Facilities Fund. An \$80,000 transfer is proposed to the City Hall Expansion Fund to continue to set aside monies for property acquisition and construction of new or remodeled offices for City Administration and the Police Department.

There are two reserve line items in the Non-departmental budget. The reserve for Council-designated insurance was recommended by the 2003 Task Force on Employee Health Insurance. The use of the reserve amount was to insulate the City from spikes in costs of health insurance. This year, the increase in medical insurance costs did not require use of the reserve.

The second reserve item is for replacing park equipment, although a contribution to this reserve is not proposed this year. An amount of \$6,000 is included in the Parks Department Budget to resurface the tennis court.

GENERAL FUND
FUND 10, DEPARTMENT 100

RESOURCES, PAGE 2

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17		PROPOSED BY STAFF	FORWARDED BY BUDGET OFFICER	APPROVED BY RUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
			USE OF MONEY & PROPERTY				
5,628	5,500	5,000	4250 Earned Interest	5,000	5,000	-	
0	0		4350 Land Sales				
-	-	-	4540 Surplus Property/Equipment				
5,628	5,500	5,000	Total Use of Money & Property	5,000	5,000	-	
			CHARGES FOR SERVICES				
64,543	69,566	50,000	4260 Fines & Forfeits	50,000	50,000	-	
64,543	69,566	50,000	Total Charges for Services	50,000	50,000	-	
			OTHER REVENUE				
1,005	1,418	1,000	4800 Miscellaneous Revenue	1,000	1,000	-	
693	779		4850 Donations				
1,698	2,197	1,000	Total Other Revenue	1,000	1,000	-	
			TRANSFER IN:				
6,000	6,000	6,000	8001 Transfer from Tourism Promotion Fund	6,000	6,000	-	
6,000	6,000	6,000	Total Transfer In	6,000	6,000	-	
1,579,274	1,194,441	1,608,394	TOTAL GENERAL FUND RESOURCES	1,670,840	1,670,840	-	

GENERAL FUND - ADMINISTRATION
FUND 10, DEPARTMENT 110

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17	EXPENDITURES	PROPOSED BY STAFF	THURSDAY BY BUDGET OFFICIAL	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
			PERSONAL SERVICES				
76,018	77,932	86,012	Salaries and Wages	XXX	98,729	0	0
40,018	37,146	57,296	Payroll Benefits and Expenses	XXX	45,001	0	0
116,036	115,077	143,338	Total Personal Services**	XXX	143,730	0	0
			MATERIALS & SERVICES				
5,091	5,601	6,700	6020 Building Operations (Phone/Elec/Sewer/Clean/MTA Agree)**	8,500	8,500	0	0
6,462	5,575	5,100	6030 Stationery and Supplies**	5,100	5,100	0	0
1,463	1,565	1,800	6050 Insurance	1,700	1,700	0	0
1,717	2,583	2,000	6060 Advertising	2,000	2,000	0	0
171	527	1,000	6070 Planning and Zoning (M-56 Notices)	1,000	1,000	0	0
207	1,511	3,000	6080 Building Maintenance and Supplies	3,000	3,000	0	0
32,299	32,365	60,000	6100 Professional Services (Atty/Auditor/Consult)**	60,000	60,000	0	0
1,412	805	5,000	6230 Travel and Training**	5,000	5,000	0	0
2,077	2,823	2,000	6240 Dues & Subscriptions**	2,200	2,200	0	0
3,628	1,343	300	6800 Miscellaneous	300	300	0	0
0	0						
54,527	54,698	86,900	Total Materials & Services	88,800	88,800	0	0
			CAPITAL OUTLAY				
			7010 Office Equipment**	2,000	2,000	0	0
3,640	1,759	3,500	7040 Real Property				
0	0						
3,640	1,759	3,500	Total Capital Outlay	2,000	2,000	0	0
174,203	171,534	233,738	TOTAL ADMINISTRATION DEPT. EXPENDITURES	90,800	234,530	0	0

** Denotes items shared with other funds/departments.

**GENERAL FUND - LAW ENFORCEMENT DIVISION
FUND 10, DEPARTMENT 125**

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
227,273	234,741	243,042	PERSONAL SERVICES				
9,067	9,786	13,000	Wages and Salaries	XXX	256,944	0	0
5,790	6,345	14,000	Over Time		13,000	0	0
134,022	146,185	187,738	On Call Pay		14,000	0	0
			Payroll Benefits and Expenses	XXX	195,870	0	0
376,151	397,057	457,780	Total Personal Services	0	480,814	0	0
			MATERIALS & SERVICES				
1,148	3,271	3,300	Stationery & Supplies**	3,300	3,300	0	0
100	0	1,500	Contract Services	1,500	1,500	0	0
6,127	7,321	7,600	Insurance	7,500	7,500	0	0
0	0	500	Professional Services	500	500	0	0
330	1,568	3,600	Materials and Supplies (Sm Equip and Supplies)	3,600	3,600	0	0
1,513	1,797	3,100	Uniforms and Clothing Allowance	3,100	3,100	0	0
5,135	5,158	7,500	Building Operations (Elec, Phone, Mtc Agree, Sewer)**	7,800	7,800	0	0
15,902	12,707	21,600	Vehicle/Equipment Maint, Supplies, Repair	20,500	20,500	0	0
7,323	4,497	11,000	Travel and Training - Staff	11,000	11,000	0	0
7,200	7,326	7,700	Dues & Subscriptions	7,700	7,700	0	0
0	0	1,800	Testing (Medical)	1,800	1,800	0	0
0	0	500	Miscellaneous	500	500	0	0
3,020	647	3,500	Building Maintenance & Supplies**	3,500	3,500	0	0
3,130	2,479	3,400	Disaster Planning & Supplies	5,800	5,800	0	0
50,928	46,771	76,600	Total Materials & Services	78,100	78,100	0	0
			CAPITAL OUTLAY				
0	0	0	Vehicle/Equipment	0	0	0	0
0	0	0	Building Construction	15,000	0	0	0
0	0	0	Total Capital Outlay	0	0	0	0
427,079	443,828	534,380	TOTAL LAW ENFORCEMENT DIVISION EXPENDITURES	78,100	558,914	0	0

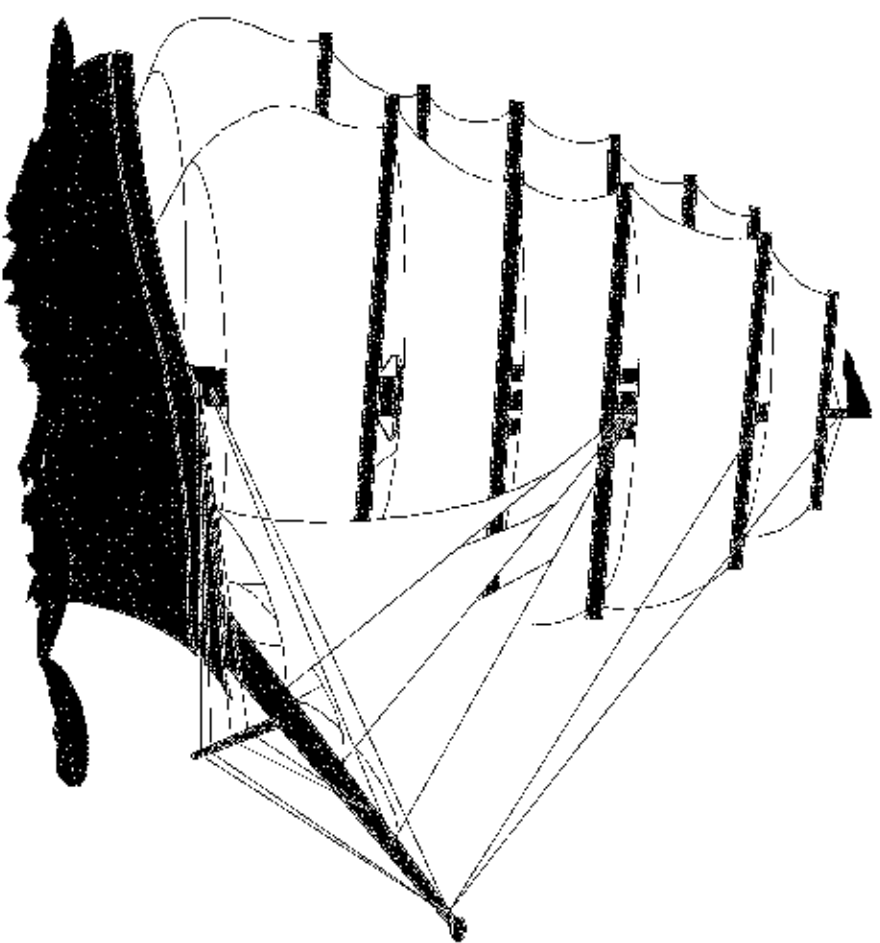
** Denotes items shared with other funds/departments.

GENERAL FUND - BUILDING DEPARTMENT
FUND 10, DEPARTMENT 120

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
			PERSONAL SERVICES				
40,328	14,602	12,689	Wages and Salaries	XXX	13,831	0	0
10,279	8,881	9,344	Payroll Benefits and Expenses	XXX	10,241	0	0
50,608	23,483	22,033	Total Personal Services	0	24,072	0	0
			MATERIALS & SERVICES				
1,172	797	1,000	Stationery and Supplies (Paper Sm Ofc Equip)**	1,000	1,000	0	0
0	93,535	50,475	Contract Services	45,000	45,000	0	0
0	0	200	Insurance	200	200	0	0
0	0	500	Professional Services (Consultant)	500	500	0	0
5,886	6,698	7,500	Assessment on Building Permits	7,500	7,500	0	0
2,232	234	500	Travel and Training - Staff	1,000	1,000	0	0
325	434	450	Dues & Subscriptions	450	450	0	0
0	0	100	Miscellaneous	100	100	0	0
0	0	200	Building Maintenance and Supplies**	200	200	0	0
1,000	690	800	Utilities (Phone 20%/Elec 7%/Sewer 5%/Maint Agree 5%)**	500	500	0	0
0	0	0					
10,616	102,388	61,725	Total Materials & Services	56,450	56,450	0	0
			CAPITAL OUTLAY				
0	0	1,500	Office Equipment	750	750	0	0
0	0	0	Contingency	0	0	0	0
0	0	1,500	Total Capital Outlay	750	750	0	0
61,223	125,872	85,258	TOTAL BUILDING DEPARTMENT EXPENDITURES	57,950	81,272	0	0

** Denotes items shared with other funds/departments.



Enterprise Funds

BUDGET NOTES

ENTERPRISE FUNDS

WATER OPERATING FUND

REVENUES

The Water Operating Fund accounts for the day-to-day operations of the water system including meter installation and repair, water system maintenance, billing, and water quality control. The revenues from Water Sales and Collections reflect the rates implemented in October, 2014. The current residential in-city base rate is \$39.50 per month. Water revenue is the largest single revenue source in the City's budget, although all monies must be used for the water utility. The revenue from Wholesale Water Sales is the payment from the City of Wheeler for its share of the operational expenses for the well, as well as payments from Tidland and Zaddach Creek Water Co-ops for bulk water only.

The carryover amount includes the \$185,251 reserve that is required by Rural Development during the life of the 40 year loan used to finance construction of the water treatment plant and the well system.

EXPENDITURES

The Water Operating Fund expenditures are formatted to reflect the water filtration plant and the well system built in 2003. The expenses of the filtration plant and the distribution system are reflected in the Water System Department of the Fund. The well and associated transmission line expenses are reflected in the Well Field and Transmission Lines Department of the Fund. The expenses in the Well Field and Transmission Lines Department are shared with the City of Wheeler using a formula established in an intergovernmental agreement. Debt Service on the 40 year loan for the water system improvements began in July, 2005.

The operation of the well system and the surface water system must be closely coordinated to meet health requirements and water demands. In 2006, it was decided that a Manzanita employee should be in charge of the system as any changes at the well site affect what needs to happen at the water treatment plant. Wheeler pays its share of the personnel services for the staff member designated as being in "Direct Responsible Charge" (DRC) as defined by State regulations.

Most of the expenses for the Public Works Director (who now also performs the duties of the Water Treatment Operator) and the Utility Workers are funded by the Water Department. A percentage of three other positions are also funded by the Water Operating Fund to reflect their services to the water utility.

The System Maintenance and Supplies line item reflects routine line and facility repair. The capital outlay for major line reconstruction is reflected in the Water Construction Fund. The Public Works staff is in the process of replacing older meters with radio read meters that can be read electronically, and this process is over half completed. The System Maintenance and Supplies line item contains an amount to acquire more of the new meters.

The Professional Services line item reflects a major software change for the software controlling and monitoring the water system.

The Capital Outlay items include installation of handicapped accessible restrooms at the City Hall. As the City accepted federal money for the Water System Improvements Project, it is required that City Hall has restrooms meeting the Americans with Disabilities Act. As plans for moving City offices to another building have been delayed, the City is required to bring the current building into ADA compliance.

As mentioned above, a transfer to the Water Construction Fund is proposed this year to reflect part of the depreciated value of the system. The reserve held in the Water Construction Fund is intended to reflect the total depreciated value identified by the City's auditor over the years. The transfer to the Public Works Reserve Fund represents the Water Operating Fund's share of the systematic replacement of all major Public Works vehicles and equipment. The list of equipment has been updated, and the amount to be transferred reflects the most recent analysis. As mentioned above, the fund also has a reserve for bond repayment equal to one year's debt service as required by the federal loan with Rural Development.

WATER CONSTRUCTION FUND

REVENUES

The Water Construction Fund accounts for major system expansion or improvement projects. The funding sources for the Water Construction Fund include system development charges, transfers from the Water Operating Fund, earned interest, proceeds of bond sales, and grants. The large carryover amount reflects the reserve for future system replacement of over \$2.0 million. The monies from System Development Charges are the fees received at the time of construction of new homes and which by State law must be accounted for in a capital construction fund. The amount of the system development charge is \$6,900 per dwelling unit.

EXPENDITURES

The 2006 Water System Master Plan update has identified a priority list of projects to complete for the water system. The City has used the strategy of replacing water lines in coordination with upgrading the storm drainage and street surface for certain streets. The Reserve for Future includes the accumulated depreciation amounts recommended by the City Auditor and the engineer for the water system. A major construction project anticipated for 2017-18 is the addition of a carbon dioxide stripper to the well system to significantly reduce or eliminate the “white water” that is so annoying to customers and increases the City’s chemical expenses. The City is borrowing against the Reserve for Future and intends to repay the Reserve over a ten year period. The City of Wheeler and the two water cooperatives will be paying back a proportional share of the cost of the project as well. Another project is to replace a section of the main supply line from the wells to the water treatment plant which has been disrupted by the construction of improvements to US Highway 101 near the treatment plant.

WATER OPERATING FUND
 FUND 40, DEPARTMENT 400

EXPENDITURES, PAGE 2

BUDGET FOR FISCAL YEAR 2011/2018

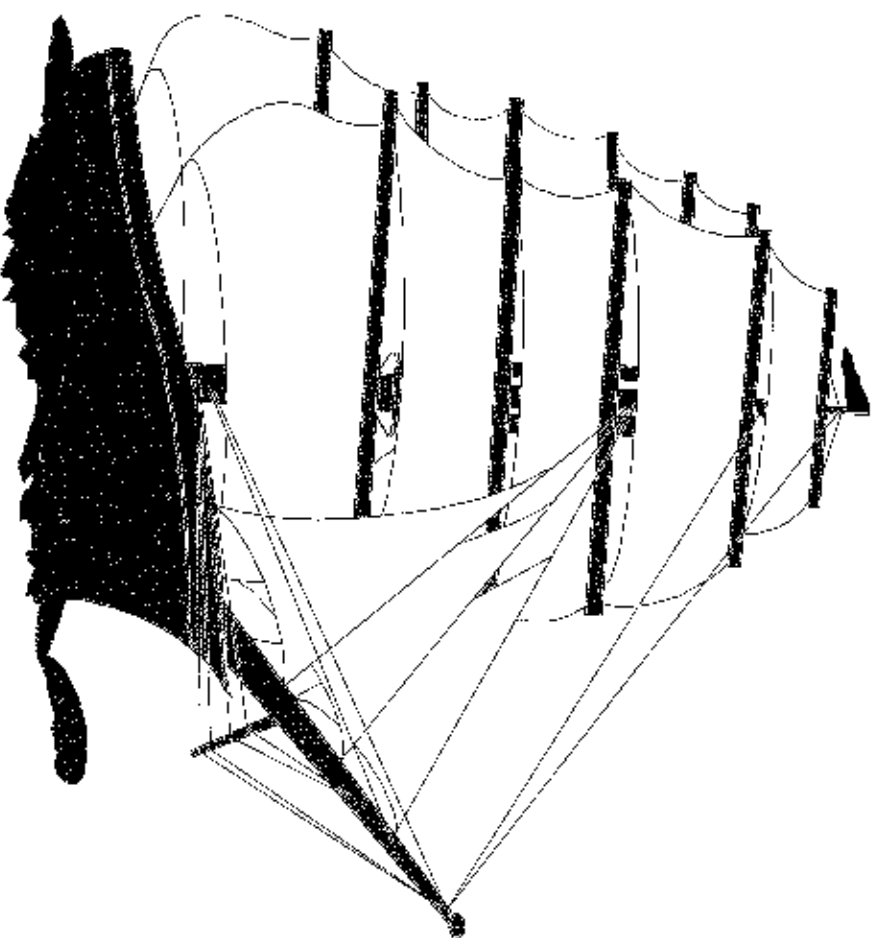
ACUMI 14/15	ACTUAL 15/16	ADOPTED 16/17				PROPOSED BY SLMT	PROCESSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
				CAPITAL OUTLAY					
0	0	0	0	7010 Office Equipment **	0	0	0	0	0
0	1,759	0	0	7030 Vehicles and Equipment	0	0	0	0	0
0	0	0	0	Vehicles	0	0	0	0	0
0	0	0	0	Equipment	0	0	0	0	0
				Buildings					
0	0	0	0	7200 Line Replacement	65,000	65,000	0	0	0
548	0	55,000	55,000	7020 New Construction (Handicap Restrooms)	0	0	0	0	0
0	0	0	0	7220 Storm Drainage	0	0	0	0	0
548	1,759	55,000		Total Capital Outlay	65,000	65,000	0	0	0
				TRANSFER OUT					
14,300	14,300	14,300	8008	Public Works Equipment Reserve Fund	14,900	14,300	0	0	0
0	0	0	8005	City Hall Expansion Fund	0	80,000	0	0	0
100,000	325,000	325,000	8009	Water Construction Fund	XXX	140,500	0	0	0
114,300	339,300	339,300		Total Transfer Out	14,900	234,800	0	0	0
				DEBT SERVICE					
185,251	185,251	185,251	8310	Loan Payment	XXX	185,251	185,251	185,251	185,251
185,251	185,251	185,251		Total Debt Service	0	185,251	185,251	185,251	185,251
758,238	957,298	1,220,554		TOTAL WATER SYSTEM DEPARTMENT	592,550	1,046,273	185,251	185,251	185,251

** Denotes items shared with other funds/departments.

WATER CONSTRUCTION FUND
FUND 41, DEPARTMENT 810

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17	RESOURCES	PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
2,321,391	2,166,490	2,928,700	3600 CARRY OVER BALANCE	0	2,730,000	0	0
			CHARGES FOR SERVICES				
85,800	142,655	69,000	4200 System Development Charges	0	103,500	0	0
0	0	1,000	4300 Service Extensions	0	1,000	0	0
			Total Charges to Services	0	104,500	0	0
10,179	17,950	12,000	4250 Earned Interest	0	20,000	0	0
			USE OF MONEY & PROPERTY				
0	0		4800 Miscellaneous				
			OTHER REVENUE				
			TRANSFER IN:				
100,000	325,000	325,000	4951 Water Operating Utility Fund	0	140,500	0	0
		15,000	4962 Puffin Lane LID Fund	0	15,000	0	0
			Total Transfers In	0	155,500	0	0
2,517,370	2,652,096	3,350,700	TOTAL WATER CONSTRUCTION FUND RESOURCES	0	3,010,000	0	0



Special Funds

BUDGET NOTES
SPECIAL FUNDS

ROAD FUND

REVENUES

Revenues include fees from a franchise agreement with Tillamook PUD (which were increased in 2007), State motor vehicle fuel taxes, earned interest and cash carryover. Motor Vehicle Fuel Tax revenue is distributed on a per capita basis by the State. The motor vehicle fuel tax revenue has gone up slightly as estimated by the League of Oregon Cities. The Road Fund usually relies on significant transfers from the General Fund for financing street improvements. This budget proposes a transfer from the General Fund and from the Civic Improvement Reserve within the General Fund. The General Fund transfer includes 30% of the increased revenue from the 2012 increase in the Transient Lodging Tax.

EXPENDITURES

A transfer is proposed to the Public Works Equipment Reserve Fund for the systematic replacement of all major vehicles and equipment in the Public Works Department. The proposed amount represents the Road Fund's share of the equipment.

As you are aware, the contractor for the Carnnel Avenue Reconstruction Project defaulted on the contract, and a portion of the 2017-18 street improvement project line item will be used to complete this project through the bonding company. With the completion of this project, there are insufficient revenues to take on any larger projects this year. However, some smaller projects may be completed. The City Council is expected to set a goal of developing a capital improvements plan this year, which will identify and schedule future improvements.

TIMBER MANAGEMENT FUND

REVENUES

The Timber Management Fund was established in 1994 for the purpose of harvesting and managing City owned timber resources in the City's Alder Creek watershed. The City has purchased capital items with the timber revenue, including about half of the 1.5 million gallon reservoir and several street and storm drainage reconstruction projects. No timber sale is anticipated in 2017-18.

EXPENDITURES

Proposed expenditures reflect a standby status for this fund and include maintenance activities and consulting work necessary to have another timber sale in the future when markets are more favorable.

HOUSING REHABILITATION LOAN FUND

REVENUES

This fund accounts for the repayment of no-interest loans for housing rehabilitation funded by a federal Community Development Block Grant. The money may only be used for new no-interest loans to qualified homeowners. The cash carryover mostly represents the repayments made in the previous ten years.

EXPENDITURES

The City has a contract with Community Action Team, Inc. (CAT) to identify qualified homeowners for possible loans. CAT advances the loans, and the City repays CAT as a contract service. Therefore, the balance of the fund is budgeted for contract services by CAT. The City has adopted a policy of not letting the fund drop below \$30,000 to provide a Nehalem Bay area resident the opportunity to apply for a loan. A qualified Nehalem Bay area resident received a loan in 2014-15. Unless other loans are paid back in 2017-18, it is unlikely that any loans will be made in the near future.

TRUST FUND

REVENUES

The Trust Fund was established in 1997 to account for revenues and expenditures by volunteer groups working under the City's umbrella, and who have not achieved separate tax-exempt status. The Fund is also intended to account for donations for specific projects and to provide a clear accounting for individuals who may be hesitant to donate for fear that their donation might be mixed in with the City's other general revenues and be overlooked. Due to GASB 54 standards established by the Government Accounting Standards Board (GASB), the Trust Fund revenues are required to be reported in the General Fund for auditing purposes. The budget may still reflect the Fund.

EXPENDITURES

The Judge's Discretionary Fund account, the Park Beautification account, the Fourth of July Parade account, the Holiday Lighting and Decorations account, and the Dog Station Supply account are budgeted in the Trust Fund.

TOURISM PROMOTION AND FACILITIES FUND

REVENUES

The City Council raised the Transient Lodging Tax from 7% to 9% in 2012. ORS 320.350 requires that for transient lodging taxes increased after 2003, 70% of the increased revenue must be spent on tourism promotion and/or tourist related facilities as narrowly defined in ORS 320.300. This fund was created to account for these restricted funds.

EXPENDITURES

The City took advantage of an opportunity in late 2012 to acquire the building at 31 Laneda Avenue to house a visitor information center and accessible public restrooms. The City obtained a Full Faith and Credit Note for \$575,000 for 15 years to pay for the site and to reconstruct the building into the new use. The new building was dedicated in January of 2014. The Debt Service line item represents the annual cost of paying off the Note. The Transfer to General Fund represents the fourth of five reimbursements for funds expended to begin the purchase of the property. Materials and Services items represent the cost of operating the Visitors' Center, professional services to help define what the City's tourism promotion program should include, and production of visitor information materials. A significant amount is proposed to be allocated for grants to local organizations to market and advertise events to attract tourists in the off season (October through May). The Off Season Tourism Advisory Committee was formed in 2016 to make recommendations to the City Council for grant funding.

PUFFIN LANE LOCAL IMPROVEMENT DISTRICT (LID) FUND

This fund was created to account for the revenues and expenditures connected with constructing storm drainage improvements in the Puffin Lane Local Improvement District, which was formed in the spring of 2014. The district is made up of the properties fronting Puffin Lane between Nehalem Avenue and Garcy Street within the Manzanita Urban Growth Boundary. The initial expenditures to construct the improvements were financed by a loan from the Water Construction Fund to the Puffin Lane LID Fund. The loan will be repaid over a period of ten years from assessments made on properties within the Local Improvement District.

Construction of the storm drainage improvements has been completed. The City is in the process of preparing an Assessment Ordinance and going through the steps of obtaining cost shares from the affected property owners and making arrangements for payment schedules for those property owners who choose to finance their share. The budget reflects the repayment of the costs for the storm drainage improvements and reimbursing the Water Construction Fund for the loan.

**ROAD FUND
FUND 15, DEPARTMENT 150**

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

RESOURCES

PROPOSED BY STA:~ PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

117,706	179,081	256,000	3900	CARRY OVER BALANCE	76,500	76,500	0	0
				REVENUE FROM COLLECTIONS				
5/217	65,841	65,000	4110	Franchises and Utility Agreements	70,000	70,000	0	0
1,450	2,650	1,000	4142	Street Permit Fees	1,000	1,000	0	0
0	0	500	4320	Street Improvements	500	500	0	0
				Total Revenue from Collections	71,500	71,500	0	0
58,667	68,491	66,500		REVENUE FROM OTHER AGENCIES				
				4070 Motor Vehicle Tax	36,006	36,006	0	0
34,976	36,608	31,832	4080	Grants	95,900	95,900	0	0
0	0	0	4085	Small Cities Allotment Grant	0	0	0	0
25,000	0	0		Total Revenue from Other Agencies	131,906	131,906	0	0
59,976	36,608	31,832		USE OF MONEY & PROPERTY				
				4250 Earned Interest	750	750	0	0
940	1,433	750		Total Use of Money & Property	750	750	0	0
940	1,433	750		OTHER REVENUE				
				4800 Miscellaneous	100	100	0	0
0	0	100		TRANSFER IN				
				4950 General Fund	200,000	200,000	0	0
170,000	250,000	225,000	4850	Civic Improvement Reserve - General Fund	75,000	75,000	0	0
0	0	25,000		Total Transfer In	275,000	275,000	0	0
0	0	0		TOTAL ROAD FUND RESOURCES	555,756	555,756	0	0
407,289	535,613	605,182						

**TIMBER MANAGEMENT FUND
FUND 57, DEPARTMENT 570**

BUDGET FOR FISCAL YEAR 2017/2018

RESOURCES

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

18,770	19,048	19,300	3900	CARRY OVER BALANCE	0	20,000	0	0
				USE OF MONEY & PROPERTY				
277	350	300	4250	Earned Interest	0	500	0	0
			4500	Timber Sales				
277	0	19,600		Total Use of Money & Property	0	20,500	0	0
19,048	19,398	19,600		TOTAL TIMBER MANAGEMENT FUND RESOURCES	0	20,500	0	0

EXPENDITURES

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

				MATERIALS & SERVICES				
0	0	5,000	6040	Contract Services	0	5,000	0	0
0	0	5,000		Total Materials & Services	0	5,000	0	0
				CAPITAL OUTLAY				
0	0	0		Total Capital Outlay	0	0	0	0
				TRANSFER OUT				
0	0	0	8002	Road Fund		0		
0	0		8005	City Hall Expansion Fund		0		
0	0	14,600	8970	Reserve for Future	0	15,500	0	0
0	0	0	8950	Contingency	0	0	0	0
0	0		8990	Unappropriated Ending Fund Balance				
0	0	19,600		TOTAL TIMBER MANAGEMENT FUND EXPENDITURES	0	20,500	0	0

HOUSING REHABILITATION LOAN FUND
FUND 61, DEPARTMENT 585

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17 RESOURCES

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

28,931	17,185	12,600	3900	CARRY OVER BALANCE	0	13,750	0	0
				USE OF MONEY & PROPERTY				
19,986	0	10,000	4450	Loan Payments	0	10,000	0	0
461	582	300	4250	Earned Interest	0	500	0	0
20,447	582	10,300		Total Use of Money & Property	0	10,500	0	0
49,378	12,767	22,900		TOTAL HOUSING REHAB LOAN FUND RESOURCES	0	24,250	0	0

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17		EXPENDITURES	PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
				MATERIALS & SERVICES				
6,199	0	22,900	6040	Contract Services	0	24,250	0	0
30,995	0		8800	Rehabilitation Loans				
37,194	0	22,900		Total Materials & Services	0	24,250	0	0
37,194	0	22,900		TOTAL HOUSING REHAB LOAN FUND EXPENDITURES	0	24,250	0	0

**TOURISM PROMOTION AND FACILITIES FUND
FUND 70, DEPARTMENT 700**

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17 RESOURCES

PREPARED BY STAFF APPROVED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

35,469	48,709	49,400	3900	CARRY OVER BALANCE	0	62,500	0	0
				USE OF MONEY & PROPERTY				
105,781	111,487	108,500	4030	Room Tax Collections	0	117,800	0	0
581	733	700	4250	Earned Interest	0	1,000	0	0
0	0	0	6150	Loan Proceeds				
106,362	112,220	109,200		Total Use of Money & Property	0	113,800	0	0
				OTHER REVENUE				
0	0	100	4800	Miscellaneous	0	100	0	0
273	0	0	4850	Donations				
0	0	20,800	4030	Grants				
0	0	20,900		Total Other Revenue	0	100	0	0
141,830	160,929	179,500		TOTAL TOURISM PROMOTION FUND RESOURCES	0	176,400	0	0

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17 EXPENDITURES

PREPARED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

0	0	0		MATERIALS & SERVICES				
16,840	79,880	33,500	6010	Contract Services	0	35,500	0	0
2,710	3,092	3,600	6020	Building Operations (Phone, Maint Agree) **	0	8,200	0	0
567	1,093	3,000	6030	Stationery and Supplies	0	3,000	0	0
0	21,181	12,500	6100	Professional Services	0	10,000	0	0
0	0	0	6250	Travel and Training	0	0	0	0
573	0	30,000	6090	Grants	0	30,000	0	0
20,690	51,248	82,600	5090	Materials & Supplies	0	0	0	0
				Total Materials and Services	0	86,700	0	0
				CAPITAL OUTLAY				
0	0	0	7040	Real Property				
13,437	6,010	13,800	7140	Construction	0	0	0	0
2,400	6,010	11,200	7085	Equipment	0	14,000	0	0
15,837	12,020	25,000		Total Capital Outlay	0	14,000	0	0
				DEBT SERVICE				
50,868	50,868	50,900	8310	Loan Repayment	0	50,900	0	0
0	0	15,000	8470	Reserve for Future	0	18,800	0	0
6,000	6,000	6,000		Transfer to General Fund	0	6,000	0	0
36,527	63,268	179,500		TOTAL TOURISM PROMOTION FUND EXPENDITURES	0	176,400	0	0

PUEFIN LID FUND
FUND 65, DEPARTMENT 650

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

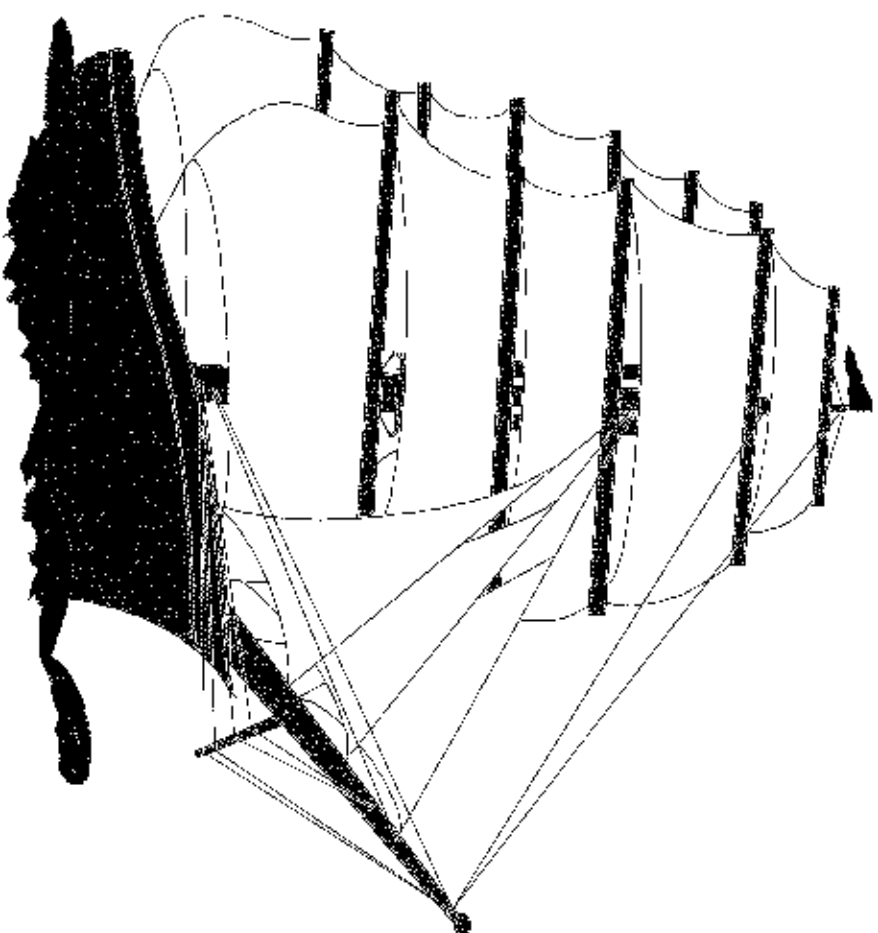
RESOURCES

PREPARED BY: STAFF PROPOSED BY: BUDGET OFFICER APPROVED BY: BUDGET COMMITTEE ADOPTED BY: GOVERNING BODY

0	0	0	3900	CARRY OVER BALANCE	0	28,450	0	0
				TRANSFER IN				
0	0	135,000	4058	Water Construction Fund	0	0	0	0
				Total Use of Money & Property	0	0	0	0
0	0	135,000		OTHER REVENUE				
				Loan Repayment	0	15,000	0	0
0	0	15,000		Total Other Revenue	0	15,000	0	0
0	0	0						
0	0	150,000		TOTAL PUEFIN LID FUND RESOURCES	0	43,450	0	0

EXPENDITURES

0	0	1,000	6030	MATERIALS & SERVICES	0	0	0	0
				Stationery and Supplies				
0	0	20,600	6100	Professional Services	0	0	0	0
0	0	1,000	6060	Advertising	0	0	0	0
				Total Materials and Services	0	0	0	0
0	0	22,600						
				TRANSFERS				
0	0	15,000	8009	Transfer to Water Construction Fund	0	43,450	0	0
				Total Transfers	0	43,450	0	0
0	0	15,000						
				CAPITAL OUTLAY				
0	0	112,400	7220	Storm Drain Construction	0	0	0	0
				Total Capital Outlay	0	0	0	0
0	0	112,400						
				TOTAL PUEFIN LID FUND EXPENDITURES	0	43,450	0	0



Capital Projects Funds

BUDGET NOTES

CAPITAL PROJECT FUNDS

These funds are intended to account for long term financing of major equipment or projects that cannot be funded easily out of a single fiscal year. Contributions from various funds are made until there is enough to cover the planned expenditures. In some of the funds, there is a long term plan with regular planned transfers. In other funds, the projects are dictated by the revenue that has been raised. By State Statute, System Development Charges (SDC's) must be used for the purpose for which they were dedicated.

PARK FACILITIES FUND

REVENUES

Revenues include system development charges from new residences, private donations and earned interest. State system development charge (SDC) statutes require that SDC's be used only for new improvements required by the impact of new homes. Therefore, SDC's may only be used for new parks, facilities, or equipment and not for maintenance or replacement of facilities or equipment. This fund was augmented in 2013-14 with an Oregon State Parks grant of \$325,000 to purchase land for Elk Meadows Park on the eastern edge of the Manzanita Urban Growth Boundary. In addition, the Oregon Parks Foundation awarded a grant of \$2200 for trail development and signage at Elk Meadows Park.

EXPENDITURES

A City Parks, Recreation and Open Space Master Plan was adopted in March, 2011. Further discussion is needed on specific improvements before they can be implemented. An amount for capital outlay is proposed in the event an eligible project is identified.

STORM DRAIN FACILITIES FUND

REVENUES

Revenues include system development charges from new residences, earned interest, and cash carryover. An update of the Storm Drainage Master Plan was completed in 2005-06 and identified some projects that need completion, but not a means to finance them. A transfer is proposed from the General Fund to continue to augment the revenue needs with general revenues.

EXPENDITURES

This fund may be used to install storm drains in critical areas as identified in the Storm Drainage Master Plan. The revenues in this fund must be used for new storm drainage facilities and may not be used for other purposes. The Storm Drain Construction line item was used for system upgrades on Carnel Avenue between Lameda Avenue and Sunset Lane as part of a major street and storm drainage reconstruction project, which will be completed in 2017-18.

PUBLIC WORKS EQUIPMENT RESERVE FUND

REVENUES

This fund is authorized by ORS 294.525(1), established by Ordinance 01-02, and renewed by Resolution 12-12. Revenues from the Water Operating Fund and the Road Fund are placed in this fund for the purpose of purchasing vehicles, vehicle equipment, and any other equipment used for the maintenance of the water system, storm drainage system, streets and parks. Transfers from both the Water Operating Fund and the Road Fund are proposed this year. These transfers represent the updated amount needed on an annual basis to replace all major Public Works vehicles and equipment on the schedule over time.

EXPENDITURES

Based on the reevaluation of Public Works equipment last year, a new replacement schedule was developed. No equipment is anticipated to be acquired in the 2017-18 fiscal year.

PUBLIC SAFETY EQUIPMENT & FACILITIES RESERVE FUND

REVENUES

Authorized by ORS 294.525, established by Ordinance 98-06, and renewed by Resolution 08-11, revenues from the General Fund are placed in this fund for the purpose of purchasing police vehicles and vehicle equipment. A transfer from the General Fund is proposed and is based on an updated analysis which determined the amount to be set aside each year to replace all Police vehicles over time.

EXPENDITURES

The Police cars are generally on a six year replacement plan. The six year replacement cycle has shown that vehicles are being replaced just as they are starting to have mechanical issues. Given the emergency nature of the service, it is appropriate to replace them before anything further happens at an inopportune time. No vehicles are scheduled for replacement in 2017-18

CITY HALL EXPANSION FUND

REVENUES

Revenues are transfers from the General Fund and Water Fund, sale of surplus property, earned interest, and carryover. The fund is maintained to address the City Hall office space needs issue when it is appropriate.

EXPENDITURES

Expenditures are budgeted in the event an opportunity presents itself to leverage grant money to construct a new City Hall or to otherwise address office space needs. The City Council is evaluating possible sites for a new City Hall. Even if City administration offices are not moved in the near future, the Police Department will need to make modifications to address some identified risk management issues such as evidence handling and better suspect or victim interview rooms.

PARK FACILITIES FUND
FUND 52, DEPARTMENT 810

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

RESOURCES

PROPOSED BY STAFF

PROPOSED BY BUDGET OFFICER

APPROVED BY BUDGET COMMITTEE

ADOPTED BY GOVERNING BODY

21,128	21,903	15,900	3900	CARRY OVER BALANCE	0	16,700	0	0
0	0	0		CHARGES FOR SERVICES				
660	1,020	600	4200	System Development Charge	0	900	0	0
				USE OF MONEY & PROPERTY				
73	92	50	4250	Earned Interest	0	100	0	0
				OTHER REVENUE				
0	0	0	4830	Miscellaneous	0	0	0	0
2,200	0	0	4080	Grants				
0	0	0	4950	TRANSFERS IN: - General Fund				
24,061	23,015	16,550		TOTAL PARK FACILITIES FUND RESOURCES	0	17,700	0	0

EXPENDITURES

PROPOSED BY STAFF

PROPOSED BY BUDGET OFFICER

APPROVED BY BUDGET COMMITTEE

ADOPTED BY GOVERNING BODY

0	0	3,000	6110	MATERIALS & SERVICES	0	3,000	0	0
2,158	0	2,000	6100	Materials & Supplies	0	2,000	0	0
		5,000		Professional Services	0	5,000	0	0
				Total	0	5,000	0	0
0	6,000	7,000	7080	CAPITAL OUTLAY				
0	0	0	7090	Park Improvements	0	9,500	0	0
				Real Property				
0	0	4,550	89/0	Reserve for Future	0	3,200	0	0
2,158	6,000	21,550		TOTAL PARK FACILITIES FUND EXPENDITURES	0	17,700	0	0

PUBLIC WORKS EQUIPMENT RESERVE-2002
FUND 54, DEPARTMENT 850

BUDGET FOR FISCAL YEAR 2017/2018

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17	RESOURCES	PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
123,049	145,856	165,350	3900 CARRY OVER BALANCE	0	97,800	0	0
			USE OF MONEY & PROPERTY				
247	312	250	4250 Earned Interest	0	250	0	0
1,706	1,334	24,000	4940 Surplus Property/Equipment Sales	0	0	0	0
1,953	1,646	24,250	Total Use of Money & Property	0	250	0	0
			TRANSFER IN:				
9,200	9,200	9,200	4953 - Road Fund	0	9,200	0	0
14,300	14,300	14,300	4951 - Water Operating Utility Fund	0	14,300	0	0
0	23,500	23,500	Total Transfer In	0	23,500	0	0
125,002	171,002	213,100	TOTAL PUBLIC WORKS EQUIP RESERVE RESOURCES	0	121,550	0	0

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17	EXPENDITURES	PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
0	0			0			
			CAPITAL OUTLAY				
0	0	100,000	Vehicle/Equipment Purchase	0	10,000	0	0
2,646	3,995	0	7030 Vehicle	0	0	0	0
0	0	113,100	7035 Equipment	0	0	0	0
			8970 Reserve for Future	0	111,550	0	0
2,646	3,995	213,100	TOTAL PUBLIC WORKS EQUIP RESERVE EXPENDITURES	0	121,550	0	0

**City of Manzanita
Public Works Equipment Reserve Fund**

Fiscal Year	Beginning Cash	Water Transfer In	Roads Transfer In	Surplus Sales	Description	Estimated Cost
2018	97,800	14,300	9,200	0	No purchases	0
2019	121,300	14,300	9,200	0	No purchases	0
2020	144,800	14,300	9,200	0	No purchases	0
2021	168,300	14,300	9,200	0	No purchases	0
2022	191,800	14,300	9,200	6,000	Replace Toolcat loader Replace 2007 Ford truck	63,000 34,000
2023	124,300	14,300	9,200	0	Replace trailer vacuum	32,100
2024	115,700	14,300	9,200	0	No purchases	0
2025	139,200	14,300	9,200	500	Replace 2010 Ford Pickup	35,800
2026	127,400	14,300	9,200	500	No purchases	0
2027	151,400	14,300	9,200	4,500	Replace 2012 4x4 Jeep Replace 2012 dump truck - Ford Replace 2012 GEM electric truck	27,400 54,700 25,400
2028	71,900	14,300	9,200	0	No purchases	0

Fund authorized by Ordinance 01-02
Reauthorized by Resolution 12-12

PUBLIC SAFETY RESERVE FUND
FUND 60, DEPARTMENT 850

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

RESOURCES

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

BUDGET FOR FISCAL YEAR 2017/2018

67,386	60,436	55,400	3900	CARRY OVER BALANCE	0	51,400	0	0
380	479	250	4350	USE OF MONEY & PROPERTY				
				Earned Interest	0	400	0	0
5,800	4,501	3,000	4940	Surplus Property Sales - Police	0	0	0	0
				OTHER REVENUE				
0	0	0	4800	Miscellaneous	0	0	0	0
6,180	4,980	3,250		Total Use of Money & Property	0	400	0	0
				TRANSFER IN:				
26,200	26,200	26,200	4959	- General Fund	0	26,200	0	0
				- Water Operating Fund				
99,765	91,616	81,850		TOTAL PUBLIC SAFETY RES FUND RESOURCES	0	78,000	0	0

EXPENDITURES

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

ACTUAL 14/15	ACTUAL 15/16	ADOPTED 16/17						
0	36,216	45,000	7030	CAPITAL OUTLAY	0	10,000	0	0
				Vehicle/Equipment Replacement - Police				
39,330	36,216	45,000		Total Capital Outlay	0	10,000	0	0
0	0	39,850	8970	Reserve for Future - Police	0	68,000	0	0
39,330	36,216	84,850		TOTAL PUBLIC SAFETY RES FUND EXPENDITURES	0	78,000	0	0

**City of Manzanita
Public Safety Equipment and Facilities Reserve Fund**

Fiscal Year	Beginning Cash	General Fund Transfer	Surplus Sales	Description	Purchase Total
2018	51,400	26,200	0	No purchases	0
2019	77,600	26,200	0	No purchases	0
2020	103,800	26,200	3,000	Replace police patrol vehicle A	45,000
2021	88,000	26,200	3,000	Replace police patrol vehicle B	45,700
2022	71,500	26,200	3,000	Replace police patrol vehicle C	46,400
2023	54,300	26,200	3,000	Replace police patrol vehicle D	47,100
2024	36,400	26,200	0	No purchases	0
2025	62,600	26,200	0	No purchases	0
2026	88,800	26,200	3,000	Replace police patrol vehicle A	49,900
2027	68,100	26,200	3,000	Replace police patrol vehicle B	50,400
2028	46,900	26,200	3,000	Replace police patrol vehicle C	51,300

Fund authorized by Ordinance 98-06
Renewed by Resolution 08-11

**CITY HALL EXPANSION FUND
FUND 51, DEPARTMENT 850**

ACTUAL 14/15 ACTUAL 15/16 ADOPTED 16/17

RESOURCES

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

BUDGET FOR FISCAL YEAR 2017/2018

270,582	290,805	341,000	3800	CARRY OVER BALANCE	0	374,000	0	0
				USE OF MONEY & PROPERTY				
224	283	300	4230	Earned Interest	0	200	0	0
0	0	0	4540	Surplus Property/Equipment Sales				
270,806	291,088	300		Total Use of Money & Property	0	200	0	0
				OTHER REVENUE				
0	0	0	4800	Miscellaneous	0	0	0	0
0	0	0		Total Other Revenue	0	0	0	0
20,000	50,000	50,000	1950	TRANSFER IN:				
0	0	0	1951	- General Fund	0	80,000	0	0
0	0	0	4961	- Water Operating Fund	0	80,000	0	0
0	0	0		- Timber Management Fund	0	0	0	0
				- Road Fund	0	0	0	0
341,088	391,100	391,100		TOTAL CITY HALL EXPANSION RESOURCES	0	534,200	0	0

EXPENDITURES

PROPOSED BY STAFF PROPOSED BY BUDGET OFFICER APPROVED BY BUDGET COMMITTEE ADOPTED BY GOVERNING BODY

0	0	25,000	6040	Contract Services	0	1,700	0	0
0	0	5,000	6110	Materials & Supplies	0	0	0	0
0	0	30,000		Total Materials and Services	0	1,700	0	0
				CAPITAL OUTLAY				
			7010	Land Acquisition	0	382,500	0	0
		20,000	7140	City Hall Renovation	0	0	0	0
				Total Capital Outlay	0	382,500	0	0
0	0	341,300	8310	Loan Repayment	0	150,000	0	0
			8970	Reserve for Future	0	0	0	0
0	0	391,300		TOTAL CITY HALL EXPANSION EXPENDITURES	0	534,200	0	0