



# City of Manzanita

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**TO:** Council Budget Committee, City of Manzanita  
**DATE:** May 19, 2020  
**FROM:** Cynthia Alamillo, City Manager, City of Manzanita  
 Kristin Grassetth, Assistant City Manager  
 Martin Chaw, Project Manager, FCS GROUP  
**RE:** City of Manzanita FY20-21 Budget - Budget Committee Meeting #2 - 5/18 Follow-up

The purpose of this memorandum is to follow-up on specific questions asked during the second and final Budget Committee meeting held on May 18 on the FY20-21 budget.

**1. Following Table 5 from the 05/18/20 memo, there is an outlier last year in April. Does that number skew the totals represented in the table?**

To avoid the influence of outliers, we have relied on historical collections. The analysis used three, five- and seven-year averages to reduce skewness. Table 1 from the 05/18/20 memo includes the historical data.

**Table 5: Room Tax Forecast by Month  
 Recommended Scenario to monitor against**

FY20-21 Forecasts under alternative scenarios 3-Yr Avg Historical Collections Basis						
Month	Forecast FY19-20	100% No Change Forecast	90% Optimistic Forecast	75% Baseline Forecast	60% Baseline Forecast	50% Pessimistic Forecast
7	211,994	204,042	183,638	153,032	122,425	102,021
8	6,296	9,212	8,290	6,909	5,527	4,606
9	2,810	2,276	2,048	1,707	1,365	1,138
10	437,385	417,865	376,079	313,399	250,719	208,933
11	14,122	20,711	18,640	15,533	12,427	10,356
12	839	2,707	2,436	2,030	1,624	1,353
1	146,644	134,364	120,928	100,773	80,619	67,182
2	16,812	20,355	18,319	15,266	12,213	10,177
3	1,416	1,028	925	771	617	514
4	58,492	83,559	75,204	62,670	50,136	41,780
5	7,517	10,739	9,665	8,054	6,443	5,369
6	819	1,171	1,053	878	702	585
<b>Annual total</b>	<b>905,145</b>	<b>908,029</b>	<b>817,226</b>	<b>681,022</b>	<b>544,817</b>	<b>454,014</b>
<b>Y/Y % Chg</b>		<b>0.3%</b>	<b>-9.7%</b>	<b>-24.8%</b>	<b>-39.8%</b>	<b>-49.8%</b>

Source: FCS GROUP

**Table 1: Actual Monthly Room Tax Collections  
FY09-10 to FY19-20 To Date**

Month	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14	Actual FY14-15	Actual FY15-16	Actual FY16-17	Actual FY17-18	Actual FY18-19	Actual To Date FY19-20
7	66,684	64,637	63,619	80,585	99,019	112,604	127,926	128,924	158,443	188,139	211,994
8	5,209	8,459	11,387	6,763	945	5,308	6,931	6,498	11,514	15,043	6,296
9	1,487	6,073	3,626	5,053	8,805	7,087	5,157	3,575	1,561	1,208	2,810
10	174,407	173,407	178,010	219,602	247,679	253,298	290,212	322,517	361,360	378,827	437,385
11	17,669	29,493	34,652	7,826	13,415	27,030	8,334	15,695	14,544	33,891	14,122
12	7,325	1,515	641	3,338	2,382	1,277	2,908	877	1,371	6,443	839
1	36,636	42,210	35,142	63,690	59,748	69,682	74,200	85,879	80,803	109,804	146,644
2	15,449	8,599	15,597	659	11,303	16,214	15,997	18,569	29,332	27,439	16,812
3	48	467	817	365	505	1,147	685	195	1,153	252	1,416
4	34,089	27,756	40,175	46,907	48,478	64,565	60,492	76,598	74,068	100,013	-
5	8,581	10,370	2,369	7,065	12,005	13,084	15,410	9,129	18,588	4,498	-
6	1,664	1,928	960	1,017	1,215	1,746	1,102	81	1,684	1,746	-
<b>Annual total</b>	<b>369,249</b>	<b>374,911</b>	<b>386,995</b>	<b>442,870</b>	<b>505,500</b>	<b>573,042</b>	<b>609,353</b>	<b>668,539</b>	<b>754,421</b>	<b>867,303</b>	<b>838,317</b>
<b>Y/Y % Chg</b>		<b>1.5%</b>	<b>3.2%</b>	<b>14.4%</b>	<b>14.1%</b>	<b>13.4%</b>	<b>6.3%</b>	<b>9.7%</b>	<b>12.8%</b>	<b>15.0%</b>	
<b>YTD % Chg</b>											<b>10.2%</b>

Source: City financial records

**2. Question: Can the money from the Road fund, a committed fund, be used for an unexpected expense? Can it be redirected to another fund?**

Yes. Funds from the Road funds can be adjusted or redirected by a Council resolution.

**3. Question: Are the Road Funds under the line item 7060, Street Repair/Improvement (old page number 35) are only allocated to surfaces for motor vehicles?**

Yes. That line item is only for roads/streets. A pedestrian path project could not be included in this line item.

**4. Question: What is the status of the Housing Rehab Fund? What are those funds used for? Which Cities are involved in the process and how does the application process work?**

The Housing Rehabilitation Loan Fund was created with a federal Community Development Block Grant and can only be used for no-interest loans for home repair for homes owned by persons with low to moderate income who live there. The City administers the fund on behalf of the Cities of Manzanita, Nehalem, Wheeler, and Rockaway Beach and their urban growth areas. Loans are due when the house is sold or when the occupant no longer qualifies as low/moderate income or has moved to another house. The loans are paid back and are returned to the Housing Rehabilitation Loan Fund and must be used for new loans to income qualified homeowners. The City contracts with Community Action Team (CAT) based out of St. Helens to administer the program. Loans are advanced by CAT and by contract are paid back by the City from the Housing Rehab Loan Fund, including a 20% fee for CAT services. Applicants are referred to CAT, and CAT determines eligibility for the loan.

Currently, we only have one person with an outstanding balance.

**5. *Question: How many years are left for the loan on the Visitors Center? What is the rate?***

The City obtained a full-faith and credit note for \$575,000 for 15 years in 2013 to pay for the site and to construct the building into the Visitors Center. The loan has a fixed rate of 3.35% and it matures in November 1, 2027.

**6. *Question: What is the average cost for a storm drain project?***

The cost varies based on the size and complexity of the project. For this fiscal year, there are no large projects scheduled under the Storm Drain Facilities fund.

**7. *Question: What is the Storm Drain fund priority project?***

The Sitka outfall project. This project is to replace the outfall, which is the only outfall that services the area south of the golf course club house.

**8. *Question: Please review line item 4142 Drywell Permit Fees, under the Storm Drain Facilities Fund.***

Line item 4142 Drywell Permit Fees, under the Storm Drain Facilities Fund has been inactive for the last three years and it will be removed.

**9. *Question: Please provide details on the new police vehicles.***

At this time, it is unknown how the new car would look. The next new vehicle corresponds to Police Chief Hart.

**10. *Question: We would like to see an analysis supporting the citywide fund cost-sharing plan for the construction of the new City Hall. According to the City's FY20-21 budget documents, cost sharing for the construction of the City Hall expansion has totaled \$730,000 from the General Fund, \$227,350 from the Water Operating Fund, and \$500,000 from the Timber Management Fund.***

The answer to this question will need to be determined after the budget is adopted. As the construction of the new City Hall has not started, it is not possible to know what the cost of construction will be and until the new City Hall is constructed and occupied, it is not possible to know what the actual cost sharing arrangements should be.

***11. Question: Is the City considering a monthly water billing versus the quarterly billing?***

Currently, there are no immediate plans or discussions on moving into a monthly billing service.

***12. Question: Please indicate the purpose of line item 7140 City Hall Renovation/Office under the City Hall Expansion fund.***

The purpose of the line item City Hall Renovation/Office is to address the City Hall office space needs issue when it is appropriate.