



Welcome FY 2023!

Happy new year Manzanita!

July 1, 2022, marks the beginning of the new fiscal year, my one year anniversary and the adoption of my first budget. The reason the budget is so exciting to me is that it represents my workplan for the year and what I hope we will accomplish together as a community. The budget is where to look if you want to understand where we get our resources from and what it costs to run the basic services you expect. I encourage each of you to take a look, and spend a few minutes reading through it.

<https://ci.manzanita.or.us/budget-committee/#budget22-23>

In the last issue of the Minute I introduced the three council goals for the year:

- 1) Level Up! Manzanita – a strategy to modernize our city and records
- 2) Budget Forward Manzanita! – a revenue diversification strategy and
- 3) Envision Manzanita! – an update of the Comprehensive Plan and Zoning Code.

The Council Goals reflect the city's priorities. With the approval of the budget, the City Council directed significant resources to further these efforts in a meaningful way.

Budget Forward! Manzanita will kick off with a committee of citizens who will work with a consultant to evaluate all of our funding sources, and opportunities for raising additional revenue sources to maintain services and to provide services as our city grows.

One thing I have learned this last year is that we are far from a city of 600. Bruce St Denis, the City Manager of Cannon Beach recently wrote an opinion piece for the Cannon Beach gazette that I encourage every one of you to read.

He talks about the "Effective Daily Population" which St Denis states is "more indicative of what a city must provide for its citizens" and represents "the actual number of people the city needs to consider when making decisions about the city budget," planning and development services, fees, water and storm drain utilities, public safety, emergency management and so forth. I couldn't agree more or have said it better myself. Just replace the math for Manzanita and my guesstimate is our effective daily population is somewhere close to 2800 people not the paltry 607 residents our gas tax is based on. And if you included a portion of Nehalem Bay State Park, Bayside Gardens and all the housing in the unincorporated Urban growth Boundary - some of which rely on the city's water supply – you begin to see that the effective population may be even bigger than that.

I would add that Manzanita faces an even steeper challenge than most cities in the state because of our property tax rate and lack of meaningful revenue sources for utilities.



[Cannon Beach Gazette Article Population of Canon Beach](https://www.cannonbeachgazette.com/opinion/what-is-the-population-of-cannon-beach/article_f3c720f2-ec0b-11ec-b607-5f0d2ed8db1f.html)

Link URL: https://www.cannonbeachgazette.com/opinion/what-is-the-population-of-cannon-beach/article_f3c720f2-ec0b-11ec-b607-5f0d2ed8db1f.html



We have maintained extremely low development impact fees and have implemented no utility fees which has cratered our ability to expand service, maintain our existing systems and build resiliency. Because we have managed to maintain our quaint village atmosphere (and that is a good thing) we do not have large commercial or hotel revenue like our neighbors to the north to help offset the costs. We have also not raised water rates in over ten years, not

even to account for inflation which has left our water utility operating on annual revenue without a sufficient reserve. Budget Forward! Manzanita will explore all these complexities and possibilities and provide a road map to diversify our resources.

While we have our challenges, we are leveraging the benefits when we can. The record-breaking transient lodging tax (TLT) revenue this year provided sufficient resources to establish an official General Fund Reserve which will increase our financial resiliency in a big way. The TLT also provided the much-needed resources to kick off the comprehensive planning process and the budget revenue diversification study. At the same time, we have frozen the number of short-term rentals in the capped residential zones, which traditionally accounts for more than 50% of the city's overall funding, so we can explore and assess the impact of these businesses on our residential neighborhoods to develop strategies to mitigate those impacts and support our local community.



We must take a balanced approach to policy making to ensure we maintain our fiscal solvency while addressing real livability issues. If we want nice, paved streets and bike lanes, and trails we need to find funding



John Fregonese 1951-2018

My mentor, the late great John Fregonese – a trailblazer in the field of Comprehensive Planning – always said “make what you want to have happen, the easiest thing to do.” He also told me that the “citizens are the experts, they know what’s best for their community” and that’s where I have always started. With the community, the people who know their home the best. So let’s start talking about who we are and who we want to become and what legacy we want to leave behind. We need to set goals and find ways to keep them alive and updated as our resources, economy and priorities shift. We need to become adaptable, resilient, and embracing of change. We must start by talking and by listening to each other.



Continued...



Pine Grove Community House - 225 Laneda Ave, Manzanita

If you are interested in joining me on this journey, please participate in a Town Hall listening session on July 13th, or July 20th at the Pine Grove Community Center. These listening sessions will be just that, listening to the things you care about. I expect to hold a few sessions to ensure that we can accommodate everyone who is interested. More information will be available in July and will be posted to the city's website and sent to the subscription list serve. Sign up if you haven't already!

I hope to see many of you in person, and throughout the coming year. We have a lot of issues to address, and problems to solve but we are in a great position to do so. We have a passionate, curious and highly engaged community and we live in one of the most beautiful places on earth. We are caretakers of this special place, I look forward to working with you to make sure we can preserve, enhance and sustain this amazing place we are so lucky to call home.

See you at the Pine Grove,

Leila Aman
City Manager

