



CITY OF MANZANITA FY 2023 / 2024 BUDGET

Photo by John Garcia

City of Manzanita

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BUDGET 2023 - 2024



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Budget Message

Leila Aman, Manzanita City Manager

I am pleased to present the Proposed Budget for FY 2023-2024. The purpose of the budget message is to provide an overview of the budget document itself, any changes to or proposed financial policies for the coming fiscal year, and any proposed changes to appropriations and revenue. This year's budget builds on a year of tremendous success, directly attributed the leadership of the City Council, and the hard work of City Staff who have continued to take on the challenges set before them and who continue to go well beyond the call of duty. The FY 2023-2024 budget proposal provides a pathway for staff to support the City Council in the important decisions ahead of them, and to provide the highest quality service to the community.

Council Goals and Priorities

In April 2023 the City Council Adopted Resolution 23-03 establishing Council Goals for 2023. The City Council voted unanimously to continue the three multiyear goals set forth by the previous City Council with the inclusion of a fourth goal related to councilor communication with the community. The FY 2023-2024 adopted Council Goals are:

GOAL 1 – LEVEL UP MANZANITA

Enhance administrative functions of the city including the incorporation of modern technology and the construction of a new city hall are essential to ensure continued efficient provision of city services.

GOAL 2 – BUDGET FORWARD MANZANITA

Implement diversified revenue streams to ensure the city's ongoing financial health.

GOAL 3 – ENVISION MANZANITA

Review and update the Comprehensive Plan and its enabling Ordinances.

GOAL 4 – COUNCIL COMMUNICATION

The City Council will create more opportunities for direct engagement with citizens to ensure that all voices in the community are heard on a regular basis and expand resources online for citizens to stay informed and engaged.

The budget allocates resources to ensure ongoing baseline city services and explains where and how Council Goals will be implemented. This budget is focused on results and delivering outcomes to ensure that the city's resources are used effectively and efficiently. As required by law, this budget is balanced based on projected revenues and expenditures.

Transient Lodging Tax

In terms of Revenue the proposed FY 2023-2024 budget continues the tradition of budgeting conservatively by underestimating revenues, and overestimating expenditures but relies on historical data, and recent financial trends such as inflation, to get those estimates a little closer to the mark. This provides a much more realistic picture of our financial position. To that end, the Transient Lodging Tax, which is the city's largest source of revenue is estimated based on pre Covid trends. In the five years prior to Covid the TLT increased on average 12% per year. The estimate for TLT this year is based on taking the FY 2017-2018 TLT revenue and increasing it by 10% to the current year to smooth out the effect of the COVID 19 pandemic where TLT funds were both positively and negatively impacted. The shutdown of Short-Term Rentals in 2020 impacted the city's revenue negatively whereas subsequent years TLT revenues skyrocketed – between FY 2020-2021 and FY 2021-2022 the City saw a 42% increase in TLT. The FY 2023-2024 budget estimates \$1.3 million for the fiscal year.

LEVEL UP MANZANITA

Financial Policies and Forecasting

In Fiscal Year 2022-2023 the City Council implemented, for the first time, an official Policy Reserve for the General Fund. Past practices by previous City Councils and City Managers have taken an informal approach to significantly underestimate revenue and to generously overestimate expenditures. The Government Financial Officers Association (GFOA) recommends that “governments should establish a formal policy on the level of unrestricted fund balance in the General Fund for generally accepted accounting principles (GAAP) to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures.” To “Level Up” Manzanita last year I proposed a formal General Fund Policy Reserve that was ultimately adopted by City Council via Resolution 22-13. Resolution 22-13 requires a General Fund Policy Reserve for the General Fund beginning with 15% of operating expenses and increasing by 2.5% each year until the Policy Reserve reaches 25%. As such, this year's budget proposal includes a General Fund Policy Reserve of 17.5 percent.

In Fiscal Year 2022-2023 I also introduced a financial forecast into the budget document. This model was not sophisticated nor replicable but was a starting point to illustrate important trends, and to assess the opportunities and challenges to revenue streams, and expenditures. As part of the Council Goal to “Level Up” Manzanita in Fiscal Year 2022-2023 I engaged an experienced government financial professional to develop a sophisticated, transparent forecast model that can serve the city on an ongoing basis for the General Fund. The financial projections illustrate that the city's General Fund is still in a strong financial position.

The FY 2023-2024 budget does not include a forecast for the Water Utility Fund. Until the new water rates are set any forecast of the Water Utility Fund will not provide an accurate picture of the Water Utility's future. While the Water Utility continues to have a carryover balance each year, the City's decision not to raise rates for inflation is now catching up to us. Even with record inflation the city's responsible management of the Water Utility has resulted in a modest carryover balance each year.

This Fiscal Year the City Council is considering a water rate increase to “catch up” with inflation and ensure the ongoing maintenance and operational requirements of the Water Utility. The options before Council include limiting the quantity of water provided by the base rate, and include a tiered rate system for water usage that exceeds the base rate. Staff will be recommending that the City Council approve an annual increase in rates to account for inflation to ensure a

healthy reserve, adequate funding for required maintenance and ongoing operational needs. I am confident that if rates can be adjusted to reflect 10 years of unaccounted for inflation, and the actual requirements to maintain and operate the Water Utility in the current financial context, by next fiscal year the Water Utility will be in a much stronger position. The City Council can at that time consider a reasonable policy reserve for the Water Utility to ensure its ongoing financial health.

The policy adjustments that were made last year have contributed positively to the City's financial stability. In November 2022 S&P Global issued the City's Credit rating as AA-, Stable. The report stated that the city's "budgetary stability is supported by recent changes in management, such as the adoption of new policies and practices that include a conservative approach to short term rental revenues, a formal reserve policy and a multi-year budget forecast."

The City Council also adopted Materials and Services indirect cost methodology via Resolution 23-01 for determining indirect costs. The FY 2023-2024 budget includes indirect cost transfers from the Water Utility and Building Fund.

The FY 2023-2024 budget proposal includes resources to develop a replicable budget model for all funds that meets the Governmental Finance Officers Association (GFOA) standards and best practices to set the stage for obtaining the Distinguished Budget Presentation Award. It also includes resources for continuing to work with a government financial professional to assist the city in reviewing, revising, and implementing a set of fiscal financial policies that provide a central and long-term approach to financial management for the city.

My goal as City Manager and as the City's Budget Officer is to ensure that the city has the tools and resources in place to ensure effective and transparent governance based on best practices. I also want to make sure that the procedures and methodologies employed by the city's administration is transferable. This means engaging with subject matter experts where appropriate and establishing tools that can be inherited by future City Managers to ensure seamless transition in leadership to the benefit of the city.

Capital Improvement Planning

The Fiscal Year 2023-2024 budget includes the City's first Capital Improvement Plan (CIP). The Capital Improvement Plan (CIP) provides guidance and planning for the City of Manzanitas infrastructure and is based on the city's Master Plan Documents including the Water Master Plan and the Storm Water Master Plan. It also includes the proposed City Hall project. This initial CIP focuses primarily on water maintenance projects for which there is funding available and staff capacity. Classic Street and Dorcas Phase Two, much of which are unfunded, were included with the expectation that these projects will only move forward if additional funding sources are identified. Staff will engage with the City Council over the coming year to review the City's CIP and 10-year project list, to identify additional priority projects in the CIP if and when City Council adopts new funding sources for infrastructure.

BUDGET FORWARD MANZANITA

Revenue Diversification

One of the key goals from last year's budget was to hire a consultant to review and analyze potential funding sources to help diversify the city's revenue stream. The city hired EcoNorthwest through a competitive process to conduct this study. That study is now complete, and the report

is being finalized. The goal of the report was to provide the city with sustainable revenue options that have a nexus to current expenditure challenges. Manzanita's economy is built around tourism which must be managed appropriately, and current revenue sources are not aligned with needs and are insufficient to cover core city functions.

Key findings also include that the resident population provides insufficient revenue to cover core infrastructure and other core costs. Typically, most revenue comes from user fees and property taxes to provide city services. In Manzanita only 9% of the city's revenue comes from property taxes, and on average 50% comes from the transient lodging tax. Due to constitutional limitations on property taxes, services residents have come to rely on are primarily funded by sources other than property tax. The property tax rate of \$0.4233 per \$1000 of assessed value, and gas tax revenue which is based on the permanent population of only 600 is essentially flat. Manzanita has one of the lowest property tax rates in the state and while not ideal, reliance on TLT without additional support from the property tax base is essential. In April 2022 the City Council adopted Resolution 22-05 implementing a temporary freeze on the issuance of new Short Term Rental permits in the capped residential zones. Over the last fiscal year, the City has established a new Short Term Rental Committee whose mission is to "propose policies on Manzanita Short Term Rentals which will enhance the City's Livability, consider financial health, and inform residents, managers and visitors about these policies." It is important to remember that tourism is the basis of Manzanita's economy. The overnight visitors are the foundation for which the livability services that the resident population both expects and relies on comes from the revenue generated by Short Term Rental businesses. We must balance both the impacts and the necessary revenue created by our economy with care.

The revenue diversification study also identified that the transportation system requires additional funding due to lack of any sustainable funding sources beyond gas tax and franchise fees. Coupled with an increase in maintenance costs and the need for future capital improvements, a new source of funding will be essential for the city to provide a high level of service for our transportation system. This includes the non-auto network, such as creating a safer environment for pedestrians and cyclists. Without meaningful and sustainable funding sources, we will not be able to achieve our goals.

In Fiscal Year 2023-2024 the City Council will consider adoption of a Regional Transportation Systems Plan (TSP) that was developed through a collaborative community process with the cities of Wheeler and Nehalem. This plan includes recommended changes to the city's zoning ordinance to implement the policies included in the TSP and will serve as a starting point for developing a System Development Charge for Transportation. It should be noted that a Transportation SDC will take time to implement, as there are specific rules and laws we must follow to implement an SDC. The TSP identifies pedestrian and cyclist safety and expansion of the pedestrian and cycle network as a priority. System Development Charges will not be sufficient for this, and maintenance projects will require other sources of funding.

The study also identified that day trippers who impact and require city services are also not contributing and identified options for the City Council to consider addressing this lost revenue. Overall, the Revenue Diversification Study examines four options including a General Obligation bond for infrastructure, a prepared food and beverage tax, a transportation utility fee and parking fees for ongoing maintenance and expansion of the transportation system and for livability services to manage the tourism economy. The report will also include a range of other opportunities for consideration. The City Council will be discussing these findings and considering options in the coming year.

Staff have been playing an important role in revenue diversification and at the direction of the City Council have been working toward cost recovery for the services the city provides. One of my goals for this Fiscal Year is not only the re-establishment of a master fee schedule but setting into place a process for annual updates to these fees to account for inflation and other factors impacting city services. This may also include changes to our Intergovernmental Agreements. Over the next fiscal year staff will be examining our IGA's with Wheeler and Nehalem and Oregon Parks and Recreation for Police Services and planning, development, building, and public works fees. Staff will work with the City Council to guide these efforts, and the City Council will ultimately decide what to do in terms of cost recovery.

However, we are already making progress. In November of 2022 the City Council adopted Resolution 22-15 establishing an updated fee structure for Short Term Rentals increasing the annual renewal fee to \$850 and increasing the inspection fees. These changes account for the average time it takes for staff to conduct renewals and inspections. This is reflected in the increase in fees for services in the General Fund. While staff do not anticipate a need for increasing STR fees for the foreseeable future, there are still opportunities for fee increases for other city services that are either non-existent or have not been updated for years including public works right of way fees, tree permit review fees and annexation fees to name a few. Overall, the City Council must take concrete steps to diversify revenue, which will not be an easy undertaking. This will require outreach and communication the community, clear policy direction from the City Council to staff, and courage of our community and decision makers to adopt changes.

In addition to that progress, staff have proposed that the City Council adopted a new System Development Charge for the Storm Drain System. OTAK, the city's consultant, using the City's Storm Drain Master Plan developed a methodology for a new SDC. Staff presented this methodology to the City Council in January 2023 at a work session and there was consensus among the City Council to adopt the proposed SDC for the Storm Drain system. Through this process staff learned that Ordinance 91-4, authorizing the city to establish System Development Charges required updating to bring the City's SDC program in line with the Oregon SDC statute (ORS 223.297-223.316). The city's Ordinance was last updated in 1991 and the law was updated in 2003. Staff anticipate that the City Council will repeal and replace Ordinance 91-4 with an updated Ordinance. Staff anticipate the first reading of this Ordinance to occur in June and a second reading in July. The proposed budget includes the new Storm Drain SDC which increased from \$174 to \$1,699 per connection.

ENVISION MANZANITA

Over the last year staff have engaged with the community on issues impacting livability. Staff organized and held four town halls over the summer and fall of 2022 and summarized that information into a series of themes that will form the basis for a Request for Proposals to hire a consultant to assist the city in updating the Comprehensive Plan. The original goal, as supported by the Professional Services line item in the budget, was to have a consultant on board in FY 2022-2023. Due to capacity, unanticipated issues staff did not have the capacity to advance the RFP this fiscal year. However, it is a priority for the coming year and the delay may actually be to the city's advantage. Senate Bill 406 would apply the states middle housing code (House Bills 2001 and 2003) to Tillamook County including all cities. This means that the city will need to update its zoning ordinance for a greater range of housing types.

Through the town hall outreach process affordable, and workforce housing were identified as a top priority for our community. With skyrocketing housing prices in Manzanita over the last two years businesses are having difficulty hiring and retaining staff because people simply can't afford to live here. If the community wants a greater diversity of people living in Manzanita, including more full time residents, those that work in our community, and families, then we must address this issue using the most powerful tool local governments have to influence housing – zoning. The Comprehensive Plan update will serve as a catalyst for having robust discussions with our community about who we want to be and how we will get there. No changes to the Comprehensive Plan or Zoning Ordinance will be made without thoughtful and meaningful public engagement. The resources that were allocated and unspent for FY 2022-2023 are proposed to be carried over in this fiscal year to start the Comprehensive Plan, and staff hope to leverage those resources with a grant from the Department of Land Conservation and Development (DLCD).

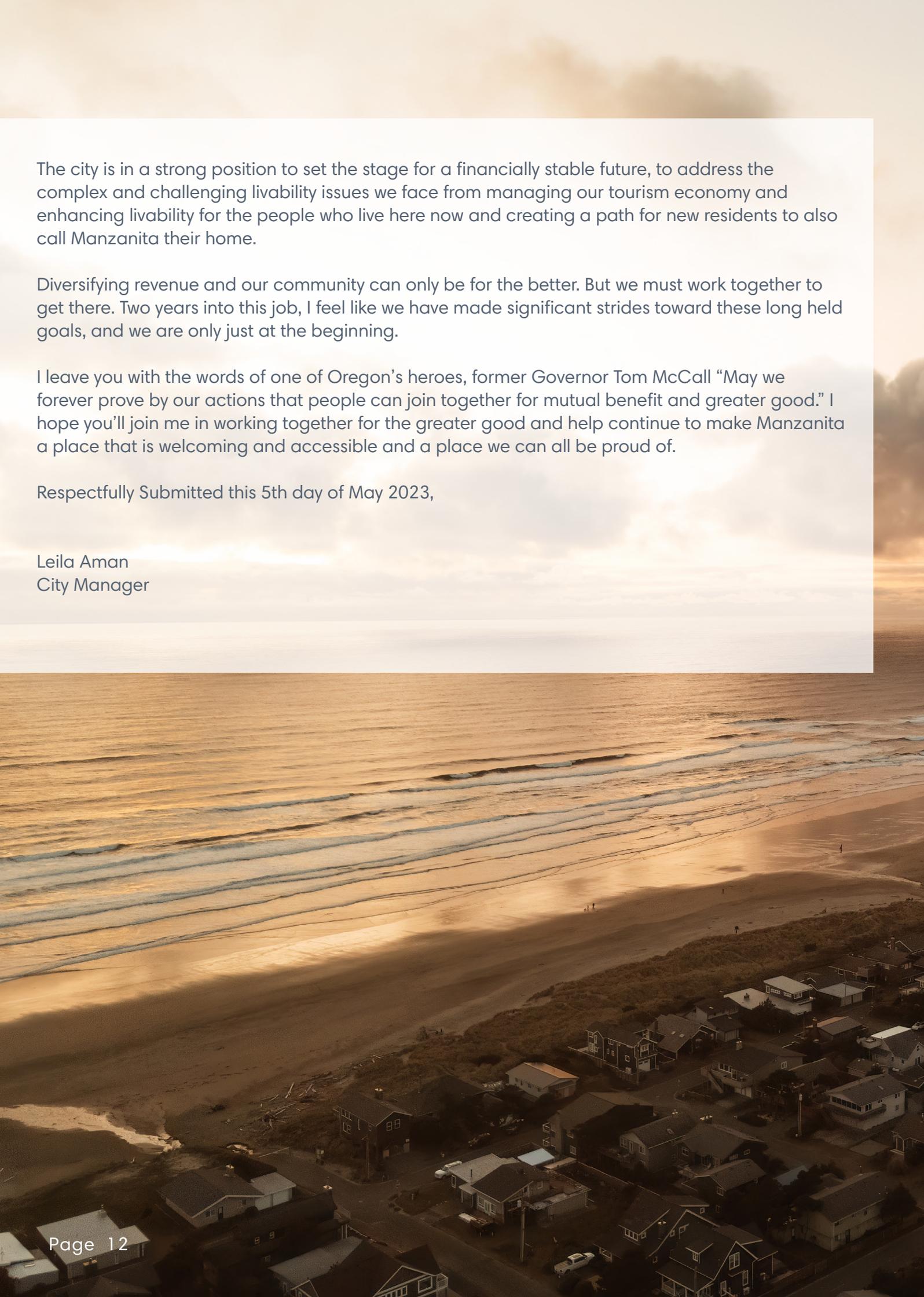
COUNCIL COMMUNICATION

Finally, a new goal was established this year to expand and support Council communication with the community. As the budget message highlights, the City Council will be deliberating and implementing some major changes in the coming fiscal year to address issues that have been burning wildly on the back burner for, in some cases, decades. The City Council has an enormous responsibility ahead of them and knows that to be successful, clear, fact-based communication will be essential. Resources have been included in the Administration's budget to assist the City Council in this effort. Staff have also been making a concerted effort to improve communication with the community including making land use applications more readily available and using the city's website, survey, list serve, water bill and holding in person town hall meetings among other strategies to inform and engage community members.

Cleaning House

Two funds are proposed for closure this year and include the Puffin Local Improvement District which has been paid off, and the Trust Fund. The Puffin LID is not included in the budget document as there have been no expenditures or revenues received in the last two years. The Trust Fund is included in the budget document, but the budget includes a proposal to transfer the remaining funds to the Tourism Promotion Fund to cover the costs of supporting the Fourth of July Parade. The City has expanded the Contract with the Tillamook County Visitors Association to cover volunteer coordination so that the city may extend its liability insurance to volunteers and to cover the costs of developing a donation website for the parade itself. If approved by the Budget Committee and the City Council both of these funds will be officially closed via Resolution.

The budget proposal also includes the elimination of the Civic Improvement Reserve department. This "department" was initially developed to earmark funds from Business License Renewals and a portion of the Short-Term Rental renewal fee to purchase physical improvements to city property to enhance the livability of the community. In practice this "department" has primarily served as a pass-through for funding for Road Facilities and Storm Drain. Accounting for these resources is a challenge and the department no longer serves its original purpose. I am requesting that the department be dissolved and releasing the restriction of these funds. Releasing this restriction provides more flexibility and reduces accounting complexity.

An aerial photograph of a coastal town at sunset. The town is in the foreground, with several houses and buildings. The ocean is in the middle ground, with waves breaking onto a sandy beach. The sky is filled with soft, golden light from the setting sun, creating a warm and serene atmosphere. The text is overlaid on the top half of the image.

The city is in a strong position to set the stage for a financially stable future, to address the complex and challenging livability issues we face from managing our tourism economy and enhancing livability for the people who live here now and creating a path for new residents to also call Manzanita their home.

Diversifying revenue and our community can only be for the better. But we must work together to get there. Two years into this job, I feel like we have made significant strides toward these long held goals, and we are only just at the beginning.

I leave you with the words of one of Oregon's heroes, former Governor Tom McCall "May we forever prove by our actions that people can join together for mutual benefit and greater good." I hope you'll join me in working together for the greater good and help continue to make Manzanita a place that is welcoming and accessible and a place we can all be proud of.

Respectfully Submitted this 5th day of May 2023,

Leila Aman
City Manager





INTRODUCTION

Manzanita Fiscal Year Budget 2023-2024

The city's budget is the principal policy and management tool for the city's Administration and defines the work program for the coming year. The budget puts forward a financial plan that enables the city to provide essential services and direct resources to achieve community priorities that achieve the greatest public benefit.

The city takes its responsibility as the financial steward of public resources seriously and the budget process represents a cumulative expression of the city's financial and service goals for the year. Resources are allocated to provide the highest quality services at a reasonable cost to meet the growing and changing needs of the community.

This section of the budget outlines how the Manzanita city government operates, the role the City Council and the City Manager play in ensuring city services are provided and policies are put into action. This section highlights the policy priorities for the city, which are represented in the form of Council goals, and how those priorities are reflected in this year's budget.

Council-Manager Form of Government



The City of Manzanita has a Council-Manager form of government. The Council is comprised of five members, a Mayor who is elected every two years and four Councilors who are elected on staggered four year terms. The Council is responsible for setting policy for the city that represent the collective interests of the community. Each member of Council represents an equal vote.

The City Manager is appointed by the City Council and is responsible for managing the day to day operations of the city, implementing City Council policies, and ensuring that outcomes are delivered in a timely manner.

The budget was prepared with the participation of all departments. Each budget describes personnel associated with the fund, materials and services required and any other requirements necessary to provide services. The organizational chart on the next page illustrates how the city functions.



City Organizational & FTE Chart

The City is organized into three Departments. Administration, Public Safety and Public Works. The Administration Department provides oversight for all Departments and Funds. The Administration also includes the Office of the City Recorder, Finance, Human Resources and the Visitor Center. The Public Safety Department includes Police and Code Enforcement services. The Development Services Department provides Building Permit and Inspection services, Planning and Land Use Services, and Short Term Rental and Inspection services. The Public Works Department provides day to day operations primarily for the Water Utility, Roads, Parks, Storm Drain and Tourism Facility Management. The City Manager serves as the City Recorder, Planning Director, Human Resources Director, and Budget Officer. The City Manager is responsible for proposing the annual budget and setting the work plan for the staff to carry out these services and to deliver on community priorities as defined by the City Council. The Full Time Equivalent (FTE) chart illustrates how employee salaries are distributed among the various funds.

	Admin	Building	Court	Police	TLT Tourism	Parks	Water Dist	Roads	Total
City Manager	100								100
Assistant City Recorder	60		40						100
Accounting Manager	100								100
Development Services Manager	30	70							100
Planning/Permit Tech	50	50							100
STR Program Manager	100								100
Police Chief				100					100
Police Sergeant				100					100
Police Officer				100					100
Police Officer				100					100
Code Enforcement Officer	20	5			75				100
Public Works Director					4	1	90	5	100
Senior Utility Worker					8	2	65	25	100
Utility Worker					8	2	65	25	100
Utility Worker					8	2	65	25	100
Utility Worker (PT)					45	5	5	5	60
Utility Clerk							95	5	100
	4.6	1.25	0.4	4	1.48	0.12	3.85	0.90	16.6

Council Goals

City Council goals serve as the key priorities for the city's work plan in the coming year above and beyond general city operations. The City Council unanimously adopted these goals through Resolution 23-03.

1

Level Up Manzanita

Enhance administrative functions of the city including the incorporation of modern technology and the construction of a new city hall are essential to ensure continued efficient provision of city services.

2

Budget Forward Manzanita

Implement diversified revenue streams to ensure the city's ongoing financial health.

3

Envision Manzanita

Review and update the Comprehensive Plan and its enabling Ordinances.

4

Council Communication

The City Council will create more opportunities for direct engagement with citizens to ensure that all voices in the community are heard on a regular basis and expand resources on line for citizens to stay informed and engaged.



FUNDS

There are a total of 15 funds managed by the city. The main funds that comprise the majority of the city's activities include the General Fund, the Water Utility Fund, the Building Fund, the Tourism Promotion Fund and the Road Fund. The various fund types, and their main sources of revenue are described below

General Fund

Accounts for the administrative, public safety (police), municipal court, parks, planning and short term rental licensing, a portion of roads and the management functions of the city. Principal sources of revenue consist of license and permit fees, transient room taxes, transfers from other governmental agencies, and the property tax levy.

Enterprise Funds

Water Utility Fund

Accounts for revenue from water supplied to residents of the City as well as residents within the Urban Growth Boundary. Receipts are derived from billings to water users, and expenses are for costs of operations, depreciation and system replacement and expansion.

Special Revenue Funds

Building Fund

Includes restricted revenue from building inspections and plan review. These funds are restricted to building department related expenditures.

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 the General Fund.

Tourism Promotion and Facilities Fund

This account 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.

Timber Management Fund

Includes revenues generated by the periodic sale of timber on city-owned property.

Housing Rehabilitation Loan Fund

This 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.

Capital Project Funds

Water System Development Charge Fund

Receives revenue from system development charges, and serves as an account for capital projects related to the City's Water Master Plan.

Park System Development Charge Fund

Includes revenues from park system development charges, which are used for the development of City parks. The fee is currently set at \$60 per unit so it does not generate sufficient resources on its own for any park expansion. This fund is separate from the Parks Department which includes operations and maintenance of existing parks and is funded by the General Fund.

Storm Drain System Development Charge Fund

This fund includes revenues from storm drain system development charges, which are used for the renovation and improvement of the City storm drain system. These fees are set at \$174 per housing unit but will be increased this year to \$1,669. SDCs have not generated sufficient resources to do any meaningful project expansion. Historically, a key funding source for the Storm Drain Facilities Fund has been the General Fund.

City Hall Expansion Fund

This is a reserve fund for the purpose of developing city hall facilities.

Reserve Funds

Public Safety Equipment Reserve Fund

Accounts for the transfers of funds from the General Fund for the purchase of major equipment and vehicles for the Public Safety Department.

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.

Building Reserve Fund

Accounts for the transfer of funds from the Building Fund for vehicles for Building Department staff for inspections or other capital equipment.



BASIS OF ACCOUNTING

The budget is prepared on the cash basis of accounting and 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.

Organization of the Budget

The budget is organized by major fund category beginning with the General Fund. The General Fund includes a summary of resources and budgets for each separate department. Each budget includes a range of categories, including Personnel Services, Materials and Services, Transfers, Debt Service, Capital Outlay and Reserves.

Personnel Services

The city employs 16.6 FTE employees which is sufficient to meet current obligations and successfully perform the various essential functions of the city. Many staff are cross trained to perform a variety of functions and must operate at a high level of efficiency in order to meet the growing demands of the city with limited resources.

Personnel Services requirements are based on current budgeted staffing levels and expected increases in salaries and benefits. All positions are currently filled with the exception of .6 FTE in the Public Works Department and the newly established code enforcement position.

Staff salaries were adjust to account for a 6% Cost of Living Adjustment (COLA). The Western Consumer Price Index (CPI-U) was used to make the COLA adjustment, as of March 2023 the CPI had not dropped below 6% since March of 2021. Health insurance premiums increased, and orthodontic and the new state required paid family leave contribution is included in the personnel services. Increases for the Public Employee Retirement System benefits are also included. The staff salaries and benefits ensure that Manzanita can offer competitive compensation with other jurisdictions and provide a livable wage to city employees.



Photo by John Garcia

FY 24 Proposed Salary Schedule

Position	Step A	Step B	Step C	Step D	Step E
Police Chief	7,839	8,231	8,641	9,074	9,527
Police Sergeant	6,650	6,983	7,332	7,698	8,083
Public Works Director	6,796	7,136	7,492	7,868	8,261
Development Services Manager	6,796	7,136	7,492	7,868	8,261
Accounting Manager	5,737	6,024	6,324	6,641	6,973
Police Officer	5,229	5,491	5,765	6,054	6,627
Assistant City Recorder	4,541	4,768	5,006	5,257	5,520
STR/TLT Program Manager	4,541	4,768	5,006	5,257	5,520
Code Enforcement Officer	4,541	4,768	5,006	5,257	5,520
Planning & Permit Tech	4,339	4,555	4,783	5,022	5,272
Public Works Utility Clerk	4,292	4,506	4,732	4,968	5,216
Utility Worker	3,889	4,083	4,288	4,502	4,728
Senior Utility Worker	4,541	4,768	5,006	5,257	5,520



Photo by Dan Weitzel



Photo by Joshua Lamar

Materials and Services

Materials and services increase over the prior fiscal year are based on known expenditure increases and inflation. Departmental narratives provide key information on any notable increases in spending. Most budgets remained relatively stable with previous years but for increases in materials such as certain professional services to implement policy goals. In many places budgets were trimmed to get closer to actual expenditures and reduce General Fund and Water Utility Fund obligations over all.

The Administration provides IT, legal, finance and records support in addition to other administrative services such as centralized financial accounting software, payment and banking services, among others. Each department accounts for specific memberships, legal, or IT hardware needs within each department. Department heads are responsible for tracking and ensuring that budgets are within the appropriations amount.

Transfers

Transfers occur when revenues are transferred between funds. There are two types of transfers. Inter fund Transfers which include a transfer from one fund to another for a specific purpose. The other is an Indirect Cost Allocation which include funds transferred from one fund to another for administrative functions which benefit from those fund. Indirect costs are determined using a Materials and Services Cost Allocation Methodology which was adopted by the City Council via Resolution 23-01.

Capital Outlay

Represent capital expenditures including vehicles and property.



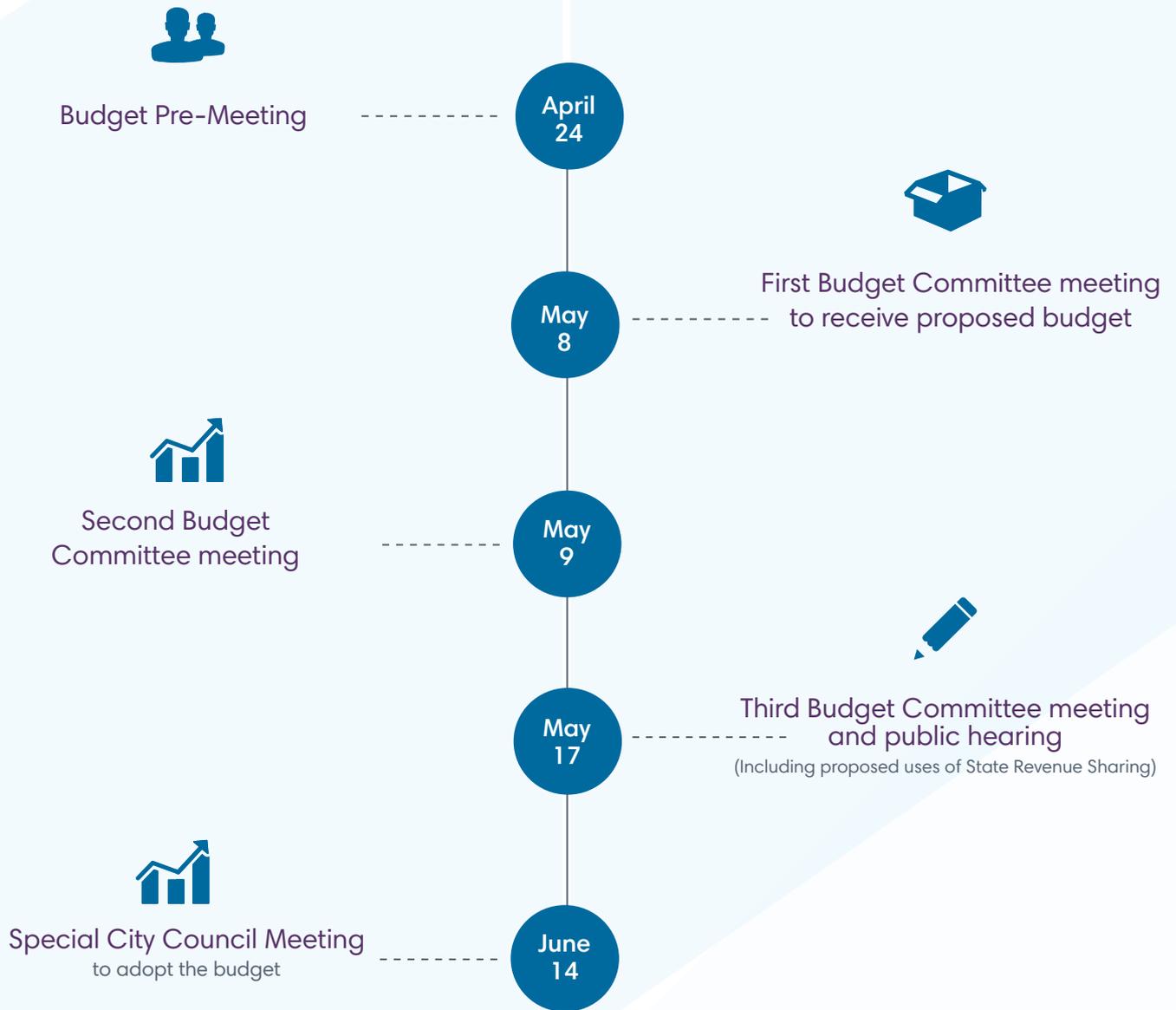
Outstanding Debt

Summary of outstanding debt

Below is a table summarizing outstanding balances on debt held by the city. The table includes interest rate, annual debt service and when the loan is due. The table is for current debt and does not include anticipated future debt.

Purpose	Due	Interest Rate	Outstanding Amount	Annual Debt Service FY 23/24	Fund
Visitors Center	2027	3.35%	\$230,904	\$52,868	Tourism Promotion
Underhill Plaza	2027	2.75%	\$698,996	\$155,332	General Fund
Water Revenue Bond	2045	3.00% - 4.00%	\$3,769,702	\$172,256	Water Utility

FY 23 | 24 BUDGET SCHEDULE



Users Guide

To reading & understanding the graphs throughout this document

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
ACTUAL FY 20/21	ACTUAL FY 21/22	ADOPTED FY 23/24		Proposed by STAFF	Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body

Column 1 & 2

Actual data for the prior two years

Revenues and expenditures for the prior fiscal years are shown in the first and second columns of the budget detail for each fund

Column 3

Adopted 22/23

Revenues and expenditures of the budget for each fund in the prior fiscal year 2022/2023

Column 4

Description

Resources are grouped by different revenue types. Requirements are grouped by expenditure type.

Column 5

Proposed by Staff

Revenues and expenditures proposed for FY 2023-24 by Department Heads.

Column 6

Proposed by Budget Officer

Revenues and expenditures proposed for FY 2023-24 by the Budget Officer.

Column 7

Approved by the Budget Committee

Revenues and expenditures proposed for FY 2023-24 by the Budget Officer that include any changes from the Budget Committee . This Budget Committee sends it recommendation to the City Council for adoption.

Column 8

Adopted by the Governing Body

Revenues and expenditures proposed for FY 2023-24 by the Budget Committee that include any changes from the City Council are included and the budget becomes final.

BUDGETS

The General Fund

This section describes the General Fund which serves as the city's main operating fund. The General Fund provides resources and Administration provides services to each and every department, program and activity carried out by the City of Manzanita. This section provides some background on what resources comprise the General Fund.

Local governments are funded through a series of fees and taxes to provide services to the community.

In small rural communities funding for local government activities relies heavily on property tax and fees for services and utilities. While property in Manzanita has a very high market value the amount of property taxes is levied based on assessed value. The assessed value is severely limited due to a series of property tax measures passed in the early 90's in Oregon.

As a result of these measures, Manzanita's tax rate was set at .4233/1000 placing it in the unenviable position of having one of the lowest property tax rates in the state of Oregon.

Did you know that only a small portion of your property taxes go to the City of Manzanita to provide services?

TAX BY DISTRICT

SCHOOL 56	1,354.84
NW REGIONAL ESD	46.30
TILLAMOOK BAY CC	79.34
EDUCATION TOTAL:	1,480.48

TILLAMOOK COUNTY	466.23
COUNTY LIBRARY	195.68
SOLID WASTE	12.00
CITY OF MANZANITA	127.44
NEHALEM BAY FIRE & RESCUE	346.21
NEHALEM BAY WASTEWATER	123.06
PORT OF NEHALEM	34.21
4H-EXTENSION SD	20.77
EMCD-911	56.64
NORT CO REC DIST	236.67
NEHALEM BAY HEALTH DIST	9.31
TILLA TRANSPORTATION	60.20
TILLA SOIL & WATER CONS	18.04
GENERAT GOVT TOTAL:	1706.52

COUNTY LIBRARY	13.76
TILLA CNTY BONDS AFTER 2001	78.83
SCHOOL 56 BONDS AFTER 2001	154.28
TILLA BAY CC BONDS AFTER 2001	37.25
NORTH CO REC DIST	41.49
BONDS - OTHER TOTAL:	325.641

2021-2022 TAX (BEFORE DISCOUNT) 3512.61

Photo by Joshua Lamar

When the property measures were put into place, the city consciously looked to Transient Lodging Tax (TLT) to provide the necessary funding for services. The city implemented an early TLT of 7% and took proactive steps to manage the industry through regulation and permitting.

Because of this early effort the city secured 100% of the first 7% of the TLT for General Fund purposes. This has proven essential to the city's survival and when legislation later changed and required that 70% of TLT revenue be placed in a restricted fund to promote tourism, Manzanitas TLT was grand fathered in and the city was able to maintain 100% of the first 7%.

The City has a separate account for the restricted tourism funds, these are reflected in the Tourism and Promotion and Facilities Fund.

The second measure the city took was to establish early requirements for short-term rental (STR) businesses, particularly in residential areas. These requirements include annual licencing, inspections every three years and stringent requirements for noise, lighting, garbage and signage. STR businesses are also required to have a property manager within 20 minutes. These controls are a few of the regulatory requirements of the STR industry in Manzanita. STRs within Manzanitas Urban Growth Boundary are not subject to city regulations and the revenue generated from these rentals are not received by the City but are remitted to Tillamook County.

The TLT has done a good job sustaining city operations and providing the majority of funding for most of the city's services and has provided the majority of funding for capital infrastructure projects. The TLT provides the majority of funding for the city. In short, every single position at the City of Manzanita relies on the General Fund, and every single infrastructure project is either in part or wholly funded by this resource in some way or another.

What is TLT (Transient Lodging Tax)?

The TLT is a tax placed on the total retail price paid for occupancy of a transient lodging (short term rentals are defined as transient lodging) The City of Manzanita charges 9% and processes and remits taxes to the state to charge this fee. Of that 9% Manzanita gets to maintain 100% of 7% of the revenue generated, and 30% of the remaining 2% for general fund purposes. The remaining 70% of that 2% goes into another fund called the Tourism Promotion Fund and can only be used for specific purposes defined by statute.

A person who furnishes temporary overnight lodging is considered a transient lodging provider. A transient lodging intermediary is a person, other than a provider, that facilitates the retail sale and charges for the occupancy of transient lodging. Transient lodging intermediaries include, but are not limited to, online travel companies, travel agents, and tour outfitter companies. Transient lodging includes:

- Hotels and motels;
- Bed and breakfast facilities;
- RV sites in RV parks or campgrounds;
- Resorts and inns;
- Lodges and guest ranches;
- Cabins;
- Condominiums;
- Short-term rental apartments and duplexes;
- Vacation rental houses;
- Tent sites and yurts in private and public campgrounds; and
- Any other dwelling unit, or portion of a dwelling unit, used for temporary overnight stays.

Source: Oregon Department of Revenue



Photo by John Garcia

Transient Lodging Tax (TLT)

Historically the TLT has represented approximately 50% of the city's annual revenue. In FY 21/22 that number increased due to the continued increase in year-round tourism stemming from the COVID 19 pandemic. FY 22/23 have shown a modest decline from FY 21/22 but TLT revenue remains strong. The budget projections for this year are both conservative but also reflect a more accurate estimate of actual revenue. The projection for TLT for the GF is based on a historical 5 year average of growth prior to COVID. Between Fiscal Years 2013-2018 TLT increased on average by 12%. Staff began with the FY 2018 revenue and increased it by 10% each year to estimate the current Fiscal Year TLT Revenue to smooth out the effect of the COVID pandemic anomaly. In April 2022 the City Council implemented Resolution 22-05 instituting a temporary freeze on the issuance of new short term rental permits in the capped zones. This Resolution will sunset on April 6, 2025.

Fees for Services

Business Licensing Fees, Short Term Rental Licensing Fees, and Technology fees make up the majority of this category. These fees for service allow the city to recover some costs associated with administering programs. City Council adopted Resolution 22-15 adjusting Short Term Rental fees including an increase in the STR Annual Renewal from \$250 to \$850 to account for cost recovery. This line item also includes STR Inspections which have increased from every five to every three years in compliance with Ordinance 10-03 governing Short Term Rentals. A technology fee was also added for building permits, business licenses, STR transactions. This line item reflects the updated fee structure.

Other fees related to planning, public works, engineering reviews related to development could be recovered by enhancing our fee structure to account for permit review and other services the city provides. Staff will be working on a Master Fee Schedule and will be presenting options to the City Council during FY 23/24 to ensure cost recovery for services provided.

Transfers from Other Funds

This fiscal year the proposed budget includes Indirect Cost Allocation transfers into the General Fund from the Water Utility Fund, and the Building Fund. These transfers were determined using a Materials and Services methodology approved by City Council through Resolution 23-01.

General Fund

Fund 10, Department 100

RESOURCES, PAGE 1

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
688,295	1,367,726	1,670,381	CARRY OVER BALANCE - Non Reserve	2,592,609	2,592,609	2,592,609	2,592,609
		170,000	CARRY OVER BALANCE - Reserve				
688,295	1,367,726	1,840,381	Carry Over Balance	2,592,609	2,592,609	2,592,609	2,592,609
PROPERTY TAXES							
226,395	242,891	232,000	Property Taxes	257,500	257,500	257,500	257,500
6,361	6,673	5,000	Delinquent Property Taxes	6,000	6,000	6,000	6,000
			Other Tax Distribution		0	0	0
232,756	249,564	237,000	TOTAL PROPERTY TAXES	263,500	263,500	263,500	263,500
REVENUE FROM COLLECTIONS							
1,142,055	1,628,971	1,100,000	Room Tax Collections	1,300,000	1,300,000	1,300,000	1,300,000
60,360	63,295	57,500	Franchises & Utility Agreements	67,900	67,900	67,900	67,900
21,361	23,918	20,000	Business Licenses	23,000	23,000	23,000	23,000
319,143	426,541		Building Permits				
69,683	97,338	45,000	Fees for Services	235,000	235,000	235,000	235,000
54,983	46,094	50,000	Civic Improvement Fees				
1,667,585	2,286,156	1,272,500	TOTAL REVENUE FROM COLLECTIONS	1,625,900	1,625,900	1,625,900	1,625,900
REVENUE FROM OTHER AGENCIES							
12,558	11,810	11,000	Liquor Tax	11,820	11,820	11,820	11,820
617	547	450	Cigarette Tax	600	600	600	600
	73,368	147,000	Grants	0	0	0	0
25,366	17,536	24,000	State Revenue Sharing	17,670	17,670	17,670	17,670
55,560	43,720	55,560	Intergovernmental Agreements: Police or Fire	55,560	55,560	55,560	55,560
2,360	6,136	2,000	Neah-Kah-Nie Excise tax	6,120	6,120	6,120	6,120
96,461	153,117	240,010	TOTAL REVENUE FROM OTHER AGENCIES	91,770	91,770	91,770	91,770

General Fund

Fund 10, Department 100

RESOURCES, PAGE 2

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
USE OF MONEY & PROPERTY							
10,380	17,276	10,000	Earned Interest	20,000	20,000	20,000	20,000
			Land Sales	500,000	500,000	500,000	500,000
			Surplus Property/Equipment	-	-	-	-
10,380	17,276	10,000	TOTAL USE OF MONEY & PROPERTY	520,000	520,000	520,000	520,000
CHARGES FOR SERVICES							
63,652	23,439	30,000	Fines & Forfeits	20,000	20,000	20,000	20,000
63,652	23,439	30,000	TOTAL CHARGES FOR SERVICES	20,000	20,000	20,000	20,000
OTHER REVENUE							
83,146	41,924	2,000	Miscellaneous Revenue	-	-	-	-
83,146	41,924	2,000	TOTAL OTHER REVENUE	-	-	-	-
TRANSFER IN:							
		55,770	Indirect Overhead Payment from Building Fund	27,332	27,332	27,332	27,332
		44,265	Indirect Overhead Payment from Water Construction Fund	-	-	-	-
157,348	157,348	168,350	Indirect Overhead Payment from Water Fund	191,000	191,000	191,000	191,000
157,348	157,348	268,385	TOTAL TRANSFER IN	218,332	218,332	218,332	218,332
2,999,623	4,296,550	3,900,276	TOTAL GENERAL FUND RESOURCES	5,332,111	5,332,111	5,332,111	5,332,111



Photo by John Garcia

General Fund Expenditures by department

City Administration (General Fund)

The city’s Administration department is led by the City Manager whose responsibility is to efficiently and effectively manage all city operations and to implement the policy of the City Council. The city Administration provides essential administrative services to all departments in the city including finance, human resources and records management.

The budget proposal for the Administration includes a proposal for an increase in this Fiscal Year for professional services to deliver on City Council Goals and a transfer to the City Hall Fund.

Personnel Description

The Administration staff includes 4.6 Full Time Equivalent Employees. These positions include the City Manager, Accounting Manager, Assistant City Recorder, Short Term Rental Program Manager, .5 FTE Planning and Permit Technician, .3 FTE for the Development Services Manager position and .2 FTE for the new Code Enforcement position. Salary increases represent an increase in FTE allocated to the General Fund for the Development Services Manager, and the addition of .2 FTE for the Code Enforcement Officer in addition to COLA adjustments and benefits.

Continued

General Fund Expenditures by department (cont.)

City Administration (General Fund)

Materials and Services

Includes all the necessary expenditures require for building operations to professional services related to essential city operations such as the City Attorney and Information Technology support.

Professional Services

The Administration has experienced significant increases in baseline professional services over the last two years due to retaining services of an IT professional to provide web, video and security services in addition to general help desk and hardware and software support. The return to in person meetings this year has also increased costs to account for additional IT services and rental rates for the Pine Grove Community House. The lack of a City Hall necessitates these additional costs. New state legislation now requires that cities maintain a virtual option because it has proven to increase participation, equity and access. These expenses are now fully accounted for in the budget.

The proposed budget more accurately reflects the city's legal expenses related to contract development, major policy, and ordinance updates. The proposed budget also includes an estimate of expenditures related to implementing the City Council goals including resources to fund the Comprehensive Plan update, levelling up our budget and associated tools, developing financial policies and providing resources for Council communication goals.

Other

Insurance premiums for property increased by 23%, Workers Compensation Insurance increased by 10%, Liability Insurance Increased by 9% and Cyber Security Insurance increased by 5%. Last year was the first year that the city took out Cyber Security Insurance. Every year staff meet with representatives from City/County Insurance Services to review and discuss all insurance related matters.

Estimates for planning notices are projected to decrease as a result of a slow down in the housing development market. Finally dues and subscriptions reflect the city's software and other subscriptions necessary for the city to operate.

Transfers out of the General Fund

In previous years transfers from the General Fund into the Storm Drain Fund, Road Fund, and Parks Fund represented a significant portion of the city's overall expenditures. As with last fiscal year the FY 2023-2024 budget proposal includes only transfers necessary for the projects that will be executed this fiscal year and to support the Road fund. The projects are listed in the city's Capital improvement Plan. Transfer to the Public Safety Reserve Funds have also increased for the first time in many years due to the impact of inflation.

GENERAL FUND - ADMINISTRATION

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COM- MITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
305,513	298,055	322,633	Salaries and Wages	386,357	386,357	386,357	386,357
105,040	281,135	241,932	Payroll Benefits and Expenses	267,753	267,753	267,753	267,753
410,552	579,190	564,565	TOTAL PERSONNEL SERVICES	654,110	654,110	654,110	654,110
			Full Time Equivalent (FTE)		4.6	4.6	4.6
MATERIALS & SERVICES							
4,495	11,524	13,000	Building Operations	14,300	14,300	14,300	14,300
8,509	7,007	7,000	Stationery and Supplies	8,000	8,000	8,000	8,000
2,708	2,544	5,000	Insurance	8,000	8,000	8,000	8,000
1,033	1,626	2,000	Advertising	2,000	2,000	2,000	2,000
0	0	10,000	Planning and Zoning	15,000	15,000	15,000	15,000
4,056	826	6,000	Building Maintenance and Supplies	4,000	4,000	4,000	4,000
96,688	133,763	450,000	Professional Services	500,000	500,000	500,000	500,000
2,193	351	8,000	Travel and Training	10,000	10,000	10,000	10,000
25,275	21,499	27,000	Dues & Subscriptions	40,000	40,000	40,000	40,000
34,079	12,721	3,000	Miscellaneous	3,000	3,000	3,000	3,000
179,035	191,861	531,000	TOTAL MATERIALS & SERVICES	604,300	604,300	604,300	604,300
CAPITAL OUTLAY							
2,224	4,668	7,000	Office Equipment	7,000	7,000	7,000	7,000
2,224	4,668	7,000	TOTAL CAPITAL OUTLAY	7,000	7,000	7,000	7,000
591,811	775,719	1,102,565	TOTAL ADMIN DEPT. EXPENDITURES	1,265,410	1,265,410	1,265,410	1,265,410



Public Safety

Personnel

The public safety department includes five staff, though the department only funds four positions including the Chief of Police, a newly approved Sergeant position, and 2 Police Officers. The Code Enforcement Position is not included in the personnel services for the Public Safety Department. The position is covered 75% out of the Tourism Promotion Fund, 20% out of the Administrations budget and 5% out of the Building Fund. The City provides paid supplemental coverage to Wheeler, Nehalem and Nehalem Bay/Oswald West State Park by Intergovernmental Agreements. Those agreements expire next fiscal year and staff will begin renegotiating those agreements during the first half of the fiscal year.

Materials and Services

Materials and Services expenditures have increased to account for inflation, and materials necessary for the new code enforcement position.

GENERAL FUND PUBLIC SAFETY DEPARTMENT

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
292,719	280,910	341,701	Wages and Salaries	375,613	375,613	375,613	375,613
5,168	3,947	13,000	Over Time	13,000	13,000	13,000	13,000
8,382	1,823	15,000	On Call Pay	15,000	15,000	15,000	15,000
213,105	195,247	269,269	Payroll Benefits and Expenses	298,440	298,440	298,440	298,440
519,374	481,927	638,970	TOTAL PERSONNEL SERVICES	702,053	702,053	702,053	702,053
			Full Time Equivalent (FTE)		4.0	4.0	4.0
MATERIALS & SERVICES							
3,065	1,438	3,300	Stationery & Supplies	3,800	3,800	3,800	3,800
500	0	1,500	Contract Services	1,500	1,500	1,500	1,500
8,656	7,262	11,500	Insurance	14,000	14,000	14,000	14,000
0	0	500	Professional Services	500	500	500	500
0	4,712	6,300	Materials and Supplies (Sm Equip and Supplies)	6,400	6,400	6,400	6,400
1,162	723	3,200	Uniforms and Clothing Allowance	3,400	3,400	3,400	3,400
8,163	8,195	9,060	Building Operations (Elec, Phone, Mtc Agree, Sewer)	9,200	9,200	9,200	9,200
18,400	17,394	28,550	Vehicle/Equipment Maint, Supplies, Repair	25,500	25,500	25,500	25,500
6,630	2,145	9,500	Travel and Training - Staff	9,800	9,800	9,800	9,800
9,805	3,553	11,750	Dues & Subscriptions	14,400	14,400	14,400	14,400
0	0	1,700	Testing (Medical)	1,800	1,800	1,800	1,800
89	0	500	Miscellaneous	500	500	500	500
0	9	3,000	Building Maintenance & Supplies	3,000	3,000	3,000	3,000
2,977	2,800	3,000	Disaster Planning & Supplies	3,000	3,000	3,000	3,000
59,446	48,230	93,360	TOTAL MATERIALS & SERVICES	96,800	96,800	96,800	96,800
CAPITAL OUTLAY							
			Equipment				
3,515			Vehicle/Equipment				
3,515	0	0	Total Capital Outlay	0	0	0	0
582,336	530,157	732,330	TOTAL PUBLIC SAFETY DEPARTMENT EXPENDITURES	798,853	798,853	798,853	798,853

Court Department

Fund 10 Department 130

Personnel Services

The Municipal Court includes a .4 FTE that deals exclusively with Court business. This position is filled by the Assistant City Recorder. The department also includes a contracted Municipal Court Judge who provides services for a monthly stipend.

Materials and Services

Provide resources for the functions associated specifically with the court division including financial software specific to court operations.

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
20,911	27,076	22,310	Wages and Salaries	23,363	23,363	23,363	23,363
10,298	31,153	8,682	Payroll Benefits and Expenses	13,193	13,193	13,193	13,193
31,209	58,229	30,993	Total Personal Services	36,555	36,555	36,555	36,555
			Full Time Equivalent (FTE)		0.4	0.4	0.4
MATERIALS & SERVICES							
109	318		Building Operations	-			
117	257	360	Stationery and Supplies	400	400	400	400
-	1,767	1,000	Professional Services - Municipal Judge	1,000	1,000	1,000	1,000
5,200	4,800	4,800	Professional Services - Municipal Judge	5,000	5,000	5,000	5,000
-	-	1,000	Travel & Training	500	500	500	500
2,493	1,616	8,000	Dues & Subscriptions	2,500	2,500	2,500	2,500
333	-		Miscellaneous	-	-	-	-
8,252	8,759	15,160	Total Materials & Services	9,400	9,400	9,400	9,400
CAPITAL OUTLAY							
-	-		Equipment	-	-	-	-
			Total Capital Outlay	-	-	-	-
39,460	66,988	46,153	TOTAL MUNICIPAL COURT DEPT EXPENDITURES	45,955	45,955	45,955	45,955

Parks Department

Fund 10 Department 135

Personnel Services

The Parks Department is responsible for maintaining the city parks and

Materials and Services

Provide resources for the functions associated specifically with the court division including financial software specific to court operations.

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
16,289	13,593	8,862	Wages and Salaries	5,778	5,778	5,778	5,778
10,929	6,667	8,639	Payroll Benefits and Expenses	5,831	5,831	5,831	5,831
27,218	20,260	17,501	Total Personal Services	11,610	11,610	11,610	11,610
			Full Time Equivalent (FTE)		0.12	0.12	0.12
MATERIALS & SERVICES							
1,886	1,846	2,500	Insurance	2,500	2,500	2,500	2,500
2,888	1,349	2,000	Grounds Maintenance	4,000	4,000	4,000	4,000
3,017	3,543	4,000	Parks Operations (Utilities)	4,000	4,000	4,000	4,000
8,609	7,221	1,000	Janitorial Supplies	1,000	1,000	1,000	1,000
7,045	962	5,000	City Park Maintenance (Building & Equipment)	6,000	6,000	6,000	6,000
5,465	1,045	3,000	Vehicle / Equipment Supplies and Repair	3,000	3,000	3,000	3,000
28,912	15,967	17,500	Total Materials & Services	20,500	20,500	20,500	20,500
CAPITAL OUTLAY							
-	-		Equipment	-	-	-	-
			Total Capital Outlay	-	-	-	-
56,130	32,226	35,001	TOTAL PARKS DEPT EXPENDITURES	32,110	32,110	32,110	32,110

Non Department

This department has historically been utilized for transfers and expenditures normally made once a year which do not pertain to a specific department of the General Fund.

Materials and services

Previous Councils have directed that \$10,000 be set aside for emergency preparedness equipment and facilities each year. A sum of \$ 28,000 is included in this years budget. This reflects carryover of \$18,000 plus an additional \$10,000 for this years allocation. The city's annual contribution to EVCNB is included in this line item. The remaining funds are for use by the city for the purchase of emergency management equipment.

COVID Relief funds also show up here as an expenditure. These funds are restricted to certain uses and staff will be working with City Council to obligate these funds this fiscal year.

Transfers

A \$25,000 transfer to the Storm Drain Fund is proposed to initiate design on Classic Street and complete design on Dorcas Phase 2. These projects are outlined in the Capital Improvement Plan included as and Appendix to the Budget.

A transfer to of \$100,000 is proposed for the Road Fund. Due to the lack of revenue in the Road Fund the General Fund must subsidize both personnel costs and projects included in the CIP which include initial design for Dorcas Phase 2.

A transfer of \$700,000 is proposed as a transfer for the City Hall Fund to cover the Debt Service payment for Underhill Plaza and to account for the Architectural, Owners Representative Contracts as well as the resources required for the abatement and demolition of the buildings on Underhill Plaza. This transfer is expected to be offset by the sale of Old City Hall. Once sold those funds will be deposited in to the General Fund.

Reserves

The City established a Policy Reserve for the General Fund last year. The policy adopted by Resolution states that the initial Reserve of 15% of operating funds and will increase each year by 2.5% until the Reserve reaches 25%. This year includes a 17.5% policy reserve. A contingency of \$129,000 is also included in the reserves. The unappropriated ending fund balance represents the remaining fund balance for General Fund that have not otherwise been allocated.

Total Expenditures

Includes proposed expenditures from all General Fund departments, Reserves and Unappropriated Ending Fund Balance to illustrate a balanced budget.

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
898	2,678	5,000	Dues & Memberships (LOC, LGPI, TED, OR Admin Ser)	0	0	0	0
480	12,707	58,000	Emergency Preparedness	28,000	28,000	28,000	28,000
0		0	Virtual Meeting Equipment	0	0	0	0
0		1,000	Emergency FM Transmitter	0	0	0	0
0		147,000	COVID Relief Program	147,000	147,000	147,000	147,000
1,378	15,385	211,000	TOTAL MATERIALS & SERVICES	175,000	175,000	175,000	175,000
TRANSFER OUT							
100,000	130,000	0	Road Fund	100,000	100,000	100,000	100,000
26,200	26,200	26,200	Public Safety Equipment Reserve Fund	30,000	30,000	30,000	30,000
100,000	155,400	0	City Hall Expansion Fund	700,000	700,000	700,000	700,000
60,000	75,000	5,000	Storm Drain Facilities Fund	25,000	25,000	25,000	25,000
0		268,615	Building Fund	0	0	0	0
286,200	386,600	299,815	TOTAL TRANSFERS	855,000	855,000	855,000	855,000
GENERAL FUND RESERVES							
	-	122,000	Operating Contingency	129,000	129,000	129,000	129,000
		400,000	General Fund Policy Reserves	407,000	407,000	407,000	407,000
		781,413	Unappropriated Ending Fund Balance	1,623,783	1,623,783	1,623,783	1,623,783
0	0	1,303,413	TOTAL GENERAL FUND RESERVES	2,159,783	2,159,783	2,159,783	2,159,783
287,578	401,985	1,814,228	TOTAL GENERAL FUND NON DEPT EXPENDITURES	3,189,783	3,189,783	3,189,783	3,189,783
			TOTAL GENERAL FUND EXPENDITURES	5,332,111	5,332,111	5,332,111	5,332,111

ENTERPRISE FUNDS

An enterprise fund is a government owned fund that sells goods and services. Manzanita has a Water Utility which sells water and provides service to residential and commercial customers.



Photo by John Garcia

Water Utility Fund

Revenues

The Water Utility Fund is the city's only Enterprise Fund. An Enterprise Fund is a fund that is established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self supporting by the fees associated with the service that is provided. In this case property owners with water service pay a fee for this service. This fee, unlike property taxes can be adjusted to reflect increases in inflation, including labor, materials and services.

The last time the city updated the fees for the water utility was in 2014. At that time the consultant and staff recommended an annual increase to the water utility fees to account for inflation. Those increases were never implemented.

Over the last year staff have been working with Oregon Association of Water and Wastewater Utilities to update water rates. Because of the timing, the current budget reflects the rates set in 2014. The City Council is currently considering this data and will be determining whether to increase water rates to match with the costs of operating the system, providing maintenance and ensuring the ongoing financial health of the water utility. If City Council approves a new rate the Water Utility Fund will be in a solid position this fiscal year and revenues will be higher than anticipated in the proposed FY 23-24 budget.

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 Tideland Water District and Route 53 Water Co-ops for bulk water only.

Expenditures

The Water Utility 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 Utility Fund Department 400. The well and associated transmission line expenses are reflected in the Water Utility Fund Well Field and Transmission Lines 410. The expenses in the Well Field and Transmission Lines Department are shared with the City of Wheeler using a formula established in through an Intergovernmental Agreement (IGA). Debt Service was refinanced with lower interest bonds in 2018.

The operation of the well system and the surface water system must be closely coordinated to meet health requirements and water demands. In 2006, by Intergovernmental Agreement it was decided that a Manzanita employee should oversee the system as any changes at the well site would affect both Wheeler and Manzanita. Wheeler pays its share of the personnel services for the staff member designated as the "Direct Responsible Charge" (DRC) as defined by State regulations. That staff member is currently the Public Works Director.

This budget also includes a cost to install a back generator for the Public Works shop, blacktop, and site work around the water shop to improve storage.

The System Maintenance and Supplies line item reflects routine line and facility repair. The System Maintenance and Supplies line item reflects routine line and facility repair. This year, expenses include maintenance requirements to the treatment plant, distribution system, meter change out and fire hydrant replacement. The new billing and water meter program continue to be implemented resulting in increased efficiency and other benefits including live 24 hour data on water usage, leak detection to alert the property owner of water leakage, remote shut off capabilities with newer meters, and many others benefits. Overall implementation has been slow due to material shortages and increased costs.

Water Utility Fund

Fund 40, Department 400

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
496,177	507,402	295,101	CARRYOVER BALANCE	338,010	338,010	338,010	338,010
990,067	1,102,795	1,000,000	Water Sales and Collections	1,100,000	1,100,000	1,100,000	1,100,000
9,855	30,377	29,880	Meter Installations	8,500	8,500	8,500	8,500
999,922	1,133,172	1,029,880	TOTAL CHARGES FOR SERVICES	1,108,500	1,108,500	1,108,500	1,108,500
10,375	7,412	6,000	Earned Interest	7,000	7,000	7,000	7,000
10,375	7,412	6,000	TOTAL USE OF MONEY & PROPERTY	7,000	7,000	7,000	7,000
0	1,194	100	Miscellaneous	0	0	0	0
	55,418	90,000	Grants	0	0	0	0
0	56,612	90,100	TOTAL OTHER REVENUE	0	0	0	0
1,506,474	1,704,598	1,421,081	TOTAL WATER UTILITY FUND RESOURCES	1,453,510	1,453,510	1,453,510	1,453,510

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
143,615	189,803	234,301	Salaries and Wages	272,832	272,832	272,832	272,832
3,958	1,070	19,000	On call Time	19,000	19,000	19,000	19,000
940	929	10,500	Overtime	10,500	10,500	10,500	10,500
101,013	141,046	225,673	Payroll Benefits and Expenses	248,275	248,275	248,275	248,275
249,526	332,847	489,474	TOTAL PERSONNEL SERVICES	550,607	550,607	550,607	550,607
			Full Time Equivalent (FTE)		3.85	3.85	3.85
MATERIALS & SERVICES							
19,197	22,884	20,000	Building Operations	22,000	22,000	22,000	22,000
87	879	2,200	Contract Services	22,500	22,500	22,500	22,500
27,704	24,958	30,000	Insurance	32,400	38,000	38,000	38,000
2,334	2,382	2,500	Office Supplies	2,500	2,500	2,500	2,500
108	467	800	Advertising	800	800	800	800
1,228	3,688	37,500	Building Maintenance	5,000	5,000	5,000	5,000
74,244	88,033	60,000	Professional Services	15,000	15,000	15,000	15,000
769	879	1,500	Uniform or Clothing Allowance	1,600	1,600	1,600	1,600
10,561	11,866	9,600	Vehicle/Equipment Maint, Supplies, Repair	12,000	12,000	12,000	12,000
2,238	2,033	5,000	Travel and Training - Staff	5,000	5,000	5,000	5,000
7,226	4,917	4,500	Dues & Subscriptions	7,000	7,000	7,000	7,000
125,665	153,877	155,000	System Maintenance and Supplies	143,500	143,500	143,500	143,500
0	0	24,000	Chemicals, Supplies, and Telemetry	5,000	5,000	5,000	5,000
16,687	14,762	65,000	Billing and Administration	50,000	50,000	50,000	50,000
331	372	800	Fire Patrol	800	800	800	800
1,446	1,239	3,600	Testing (Federal and State)	3,600	3,600	3,600	3,600
405	325	500	Miscellaneous	500	500	500	500
290,231	333,558	422,500	TOTAL MATERIALS & SERVICES	329,200	334,800	334,800	334,800
CAPITAL OUTLAY							
0	0	3,500	Office Equipment	3,500	3,500	3,500	3,500
0	0	0	Vehicles and Equipment				
0	0	0	Buildings				
0	0	0	New Construction				
0	0	3,500	TOTAL CAPITAL OUTLAY	3,500	3,500	3,500	3,500
TRANSFER OUT							
14,300	14,300	16,896	Public Works Equipment Reserve Fund	17,000	17,000	17,000	17,000
75,000	200,000	0	Water Construction Fund	0	0	0	0
157,348	157,348	168,350	Indirect Overhead Payment to General Fund	191,000	191,000	191,000	191,000
246,648	371,648	185,246	TOTAL TRANSFER OUT	208,000	208,000	208,000	208,000
170,856	173,681	171,000	TOTAL DEBT SERVICE	180,000	180,000	180,000	180,000
957,261	1,211,735	1,271,720	TOTAL WATER UTILITY DEPARTMENT 400	1,271,307	1,276,907	1,276,907	1,276,907

Water Utility Fund

Fund 40, Department 410

Expenditures Page 2

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
17,290	16,613	22,000	Building Operations	19,000	19,000	19,000	19,000
	341	400	Contract Services	500	500	500	500
4,302	12,383	21,000	Insurance	21,000	18,000	18,000	18,000
	0	3,500	Building Maintenance	3,500	3,500	3,500	3,500
2,890	385	15,000	Professional Services	15,000	15,000	15,000	15,000
450	0	800	Uniform & Clothing Allowance	800	800	800	800
1,584	1,521	3,500	Vehicle/Equipment Maint, Supplies, Repair	3,500	3,500	3,500	3,500
	1,395	1,800	Travel and Training - Staff	1,800	1,800	1,800	1,800
13,485	1,054	18,500	System Maintenance and Supplies	40,000	40,000	40,000	40,000
579	1,581	4,000	Chemicals, Supplies, and Telemetry	4,000	4,000	4,000	4,000
1,228	1,228	1,228	Lease and Easements	1,288	1,288	1,288	1,288
	0	3,200	Testing (Federal and State)	3,200	3,200	3,200	3,200
	2,346	500	Miscellaneous	500	500	500	500
41,808	38,846	95,428	TOTAL MATERIALS & SERVICES	114,088	111,088	111,088	111,088
41,808	38,846	95,428	TOTAL MATERIALS AND SERVICES DEPARTMENT 410	114,088	111,088	111,088	111,088
RESERVES							
	0	53,933	Contingency	68,115	65,515	65,515	65,515
0	0	53,933	TOTAL RESERVES	68,115	65,515	65,515	65,515
999,069	1,250,581	1,421,081	TOTAL WATER UTILITY FUND EXPENDITURES (400 & 410)	1,453,510	1,453,510	1,453,510	1,453,510



Photo by John Garcia

SPECIAL REVENUE FUNDS

Building Fund, Road Fund, Tourism Promotion and Facilities Fund, Timber Management Fund,
Housing Rehabilitation Loan Fund & Trust Fund

Building Fund

REVENUE

The Building Fund is used to provide residential and commercial inspections, plan reviews and enforcement of the state building codes for all construction within the city limits. Revenue is generated through building permits and plan review fees and are restricted to the administration and enforcement of the building inspection program per ORS 455.210 (3) (c). All unused funds are carried over to the next fiscal year.

EXPENDITURES

Personnel Services

The Building Fund pays for .7 of the Development Services Manager who is also the City's certified Building Official. The resources allocated from this fund cover the Building Inspection, Plan Review and other Building related services provided by the Building Official. The Fund also covers .5 FTE of the Planning Permit Technician for Building Fund related activities and .05 of the newly created Code Enforcement Position in anticipation of enforcement of building code violations on weekends.

Materials and Expenses

The materials and expenses listed in this budget reflect the required materials and services required to administer the city's building program. There are resources for contract services to provide back up services to the Building Official if needed.

Transfers

The Building Fund also includes an Indirect Cost Transfer to the General Fund for the Administrative overhead services provided by the Administration for Building Fund related activities.

RESOURCES

BUDGET FOR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	PROPOSED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
			CARRY OVER BALANCE	354,110	354,110	354,110	354,110
			REVENUE FROM COLLECTIONS				
319,143	426,541	300,000	Building Permits	225,000	225,000	225,000	225,000
	426,541	300,000	TOTAL REVENUE FROM COLLECTIONS	225,000	225,000	225,000	225,000
			TRANSFER IN:				
	0	268,615	Transfer in From General Fund	0	0	0	0
	0	268,615	TOTAL TRANSFERS	0	0	0	0
319,043	426,541	568,615	TOTAL BUILDING FUND RESOURCES	579,110	579,110	579,110	579,110

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	OPTED BY GOVERNING BODY
PERSONNEL SERVICES							
28,106	29,559	88,976	Wages and Salaries	92,726	92,726	92,726	92,726
21,254	19,381	54,477	Payroll Benefits and Expenses	68,592	68,592	68,592	68,592
49,360	48,940	143,453	TOTAL PERSONNEL SERVICES	161,318	161,318	161,318	161,318
			Full Time Equivalent (FTE)		1.25	1.25	1.25
MATERIALS & SERVICES							
131	1,108	2,500	Stationery and Supplies (Paper, Sm Ofc Equip)	4,000	4,000	4,000	4,000
3,175	3,198	25,000	Contract Services	30,000	30,000	30,000	30,000
5,888	8,580	10,000	Professional Services (Consultant)	12,000	12,000	12,000	12,000
			Clothing	1,600	1,600	1,600	1,600
10,983	32,342	45,000	Assessment on Building Permits	40,000	40,000	40,000	40,000
0	1,193	5,000	Vehicle/Equipment Maint, Supplies, Repair	6,000	6,000	6,000	6,000
389	529	4,000	Travel and Training - Staff	4,000	4,000	4,000	4,000
857	3,727	4,500	Dues & Subscriptions	5,000	5,000	5,000	5,000
501	72	500	Miscellaneous	1,200	1,200	1,200	1,200
0	0	200	Building Maintenance and Supplies	500	500	500	500
995	2,033	2,400	Utilities	2,500	2,500	2,500	2,500
			Insurance	1,000	1,000	1,000	1,000
22,920	52,782	99,100	TOTAL MATERIALS & SERVICES	107,800	107,800	107,800	107,800
CAPITAL OUTLAY							
1,859	4,345	15,000	Office Equipment	7,500	7,500	7,500	7,500
1,859	4,345	15,000	TOTAL CAPITAL OUTLAY	7,500	7,500	7,500	7,500
TRANSFERS							
		55,570	Indirect Cost Transfer to the General Fund	27,332	27,332	27,332	27,332
		12,500	Vehicle Reserve Transfer	2,500	2,500	2,500	2,500
0	0	68,070	TOTAL TRANSFERS	29,832	29,832	29,832	29,832
RESERVES							
			Contingency	10,000	10,000	10,000	10,000
		242,992	Unappropriated Ending Fund Balance	262,660	262,660	262,660	262,660
		242,992	TOTAL RESERVES	272,660	272,660	272,660	272,660
74,139	106,067	568,615	TOTAL BUILDING DEPARTMENT EXPENDITURES	579,110	579,110	579,110	579,110

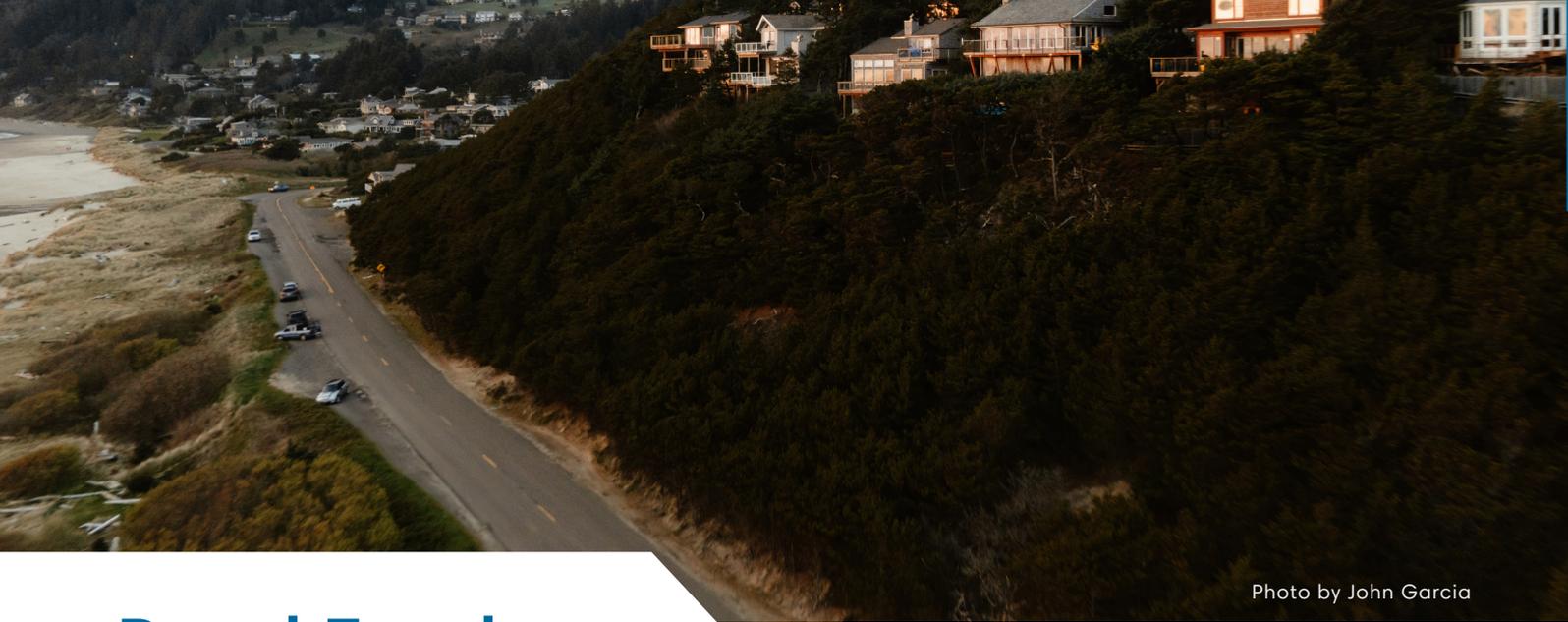


Photo by John Garcia

Road Fund

Revenues

Revenues include fees from a franchise agreement with Tillamook PUD, 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 this year. This fund is heavily dependent on transfers from the General Fund for personnel services and financing street improvements. This budget includes a proposed transfer of \$100,000 from the General Fund. The Road Fund is one of two funds that are undercapitalized for the expenditures required to keep up this utility.

Expenditures

Personnel

There is .9 FTE assigned to the roads department which includes a portion of time from three Public Works Utility Workers, and the Public Works Director. The Public Works Utility Clerk has a very small percentage of workload assigned to this department. The decrease in personnel costs for the Road Fund is a result of the utility workers overall FTE moving to the Tourism Promotion Fund to account for the tourism facility management portions of their jobs .

The realignment of these positions help recover costs for managing and maintaining tourists facilities with tourist restricted dollars that otherwise would have come out of the General Fund. Strategies such as this help align budget resources with services provided. But it isn't enough and as the Revenue Diversification Study indicated there are options for the City Council to consider that would contribute to the ongoing financial health of the Road Fund by establishing additional, reliable resources for Road operations and ongoing maintenance.

Materials and Services

Road Materials and Services covers costs of crack sealing, pavement marking repair & replacement, gravel, and asphalt patch. Street light expenditure is for street lights inside the city limits and is paid to Tillamook Peoples Utility District.

Capital Outlay

There are no major road projects slated for FY 2023 – 2024. Funds shown for Street Repair/Improvement are for early design of CIP projects.

Road Fund

Fund 15, Department 150

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
541,596	592,857	729,565	CARRY OVER BALANCE	92,000	92,000	92,000	597,000
REVENUE FROM COLLECTIONS							
89,140	92,494	68,000	Franchises and Utility Agreements	70,000	70,000	70,000	70,000
4,300	5,625	1,000	Street Permit Fees	2,000	2,000	2,000	2,000
93,440	98,119	69,000	TOTAL REVENUE FROM COLLECTIONS	72,000	72,000	72,000	72,000
REVENUE FROM OTHER AGENCIES							
46,404	50,033	40,000	Motor Vehicle Tax	40,000	40,000	40,000	40,000
40,478	10,924	0	Grants	0	0	0	0
86,883	60,957	40,000	TOTAL REVENUE FROM OTHER AGENCIES	40,000	40,000	40,000	40,000
USE OF MONEY & PROPERTY							
2,336	1,976	2,000	Earned Interest	2,000	2,000	2,000	2,000
2,336	1,976	2,000	TOTAL USE OF MONEY & PROPERTY	2,000	2,000	2,000	2,000
OTHER REVENUE							
	0	0	Miscellaneous	0	0	0	0
TRANSFER IN							
100,000	130,000	0	General Fund	100,000	100,000	100,000	100,000
0	60,000	80,000	Civic Improvement Reserve General Fund	0	0	0	0
100,000	190,000	80,000	TOTAL TRANSFER IN	100,000	100,000	100,000	100,000
824,255	943,909	920,565	TOTAL ROAD FUND RESOURCES	306,000	306,000	306,000	811,000

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
39,198	63,775	46,913	Wages and Salaries	50,502	50,502	50,502	50,502
24,211	42,943	47,382	Payroll Benefits and Expenses	46,056	46,056	46,056	46,056
63,409	106,718	94,295	TOTAL PERSONAL SERVICES	96,558	96,558	96,558	96,558
Full Time Equivalent (FTE)					0.9	0.9	0.9
MATERIALS AND SERVICES							
9,680	0	10,000	Contract Services	10,000	10,000	10,000	10,000
456	0	5,000	Professional Services	5,000	5,000	5,000	5,000
1,199	1,918	3,000	Insurance	2,700	2,700	2,700	2,700
504	0	500	Building Maintenance/supplies	5,000	5,000	5,000	5,000
6,046	8,430	7,500	Vehicle/Equipment Maint, Supplies, Repair	7,500	7,500	7,500	7,500
0	0	500	Travel and Training - Staff	1,000	1,000	1,000	1,000
15,130	43,665	23,000	Road Maintenance and Supplies	30,000	30,000	30,000	30,000
7,308	7,308	8,500	Street Lights	8,500	8,500	8,500	8,500
0	1,620	3,500	Street Signs	3,500	3,500	3,500	3,500
3,420	0	500	Miscellaneous	500	500	500	500
783	771	1,200	Uniform or Clothing Allowance	1,200	1,200	1,200	1,200
44,527	63,711	63,200	TOTAL MATERIALS AND SERVICES	74,900	74,900	74,900	74,900
CAPITAL OUTLAY							
0	0	0	Vehicles & Equipment				
0	0	0	Street Improvement/Laneda				
0	1,054	614,611	Street Repair/Improvement	25,000	25,000	25,000	530,000
0	0	0	New Construction-Bike Path/Trail				
114,262	26,820	0	Storm Drain Construction				
114,262	27,874	614,611	TOTAL CAPITAL OUTLAY	25,000	25,000	25,000	530,000
TRANSFER OUT							
9,200	9,200	8,700	Public Works Reserve Fund	8,700	8,700	8,700	8,700
9,200	9,200	8,700	TOTAL TRANSFERS	8,700	8,700	8,700	8,700
RESERVES							
0	0	40,000	Contingency	40,000	40,000	40,000	40,000
0	0	0	Road Fund Reserve	0	0	0	0
0	0	99,759	Unappropriated Ending Fund Balance	60,842	60,842	60,842	60,842
0	0	139,759	TOTAL ROAD FUND RESERVES	100,842	100,842	100,842	100,482
TOTAL ROAD FUND EXPENDITURES				306,000	306,000	306,000	811,000
231,398	207,503	920,565	TOTAL ROAD FUND EXPENDITURES	306,000	306,000	306,000	811,000



Photo by Dan Weitzel



Tourism Promotion & Facilities Fund

This 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 ORS 320.300. This fund was created to account for these restricted funds. These funds are used exclusively for promotion and the operation of the visitor center and other tourist related facilities.

Personnel Services

The budget proposes 1.48 FTE for performing the services of maintenance and operations of visitor facilities in the City of Manzanita. Of this FTE .75 is for the newly created Code Enforcement Position. The Code Enforcement Position will be primarily focused on addressing code enforcement related to tourism, and visitors. The position will also serve as a resource for residents, and visitors to ensure the livability of Manzanita is maintained in harmony with the tourists that support our economy. The position will coordinate directly with Tillamook County Visitors Association staff including meeting with TCVA staff on a regular basis.

Materials and Services

This item represents 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 and other materials. City Council approved a contract with the Tillamook County Visitors Association (TCVA) continue to provide management oversight to a contract employee to run the Visitor Center. The proposal also included \$20,000 in off season tourism grants. The contract also includes funding for the TCVA contract employee to facilitate the Fourth of July parade. This was essential for the parade so the city could extend its insurance policy to cover the volunteers. TCVA also recently completed a Destination Management plan to help identify community priorities for use of these restricted funds. The Code Enforcement position is one priority that hat was identified and is being implemented this fiscal year. The plan provides a road map for future expenditures and will be implemented as needs arise and as staff have the capacity.

Capital Outlay

The City took advantage of an opportunity in late 2012 to acquire the building at 31 Laneda Avenue to house a visitor information center including accessible public rest rooms. The City obtained a 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. This Note will be paid off in Fiscal Year 27- 28.

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
169,881	269,506	366,106	CARRY OVER BALANCE	488,600	488,600	488,600	488,600
USE OF MONEY & PROPERTY							
208,822	261,260	250,000	Room Tax Collections	220,000	220,000	220,000	220,000
977	699	500	Earned Interest	750	750	750	750
209,799	261,959	250,500	TOTAL USE OF MONEY & PROPERTY	220,750	220,750	220,750	220,750
OTHER REVENUE							
0	0	0	Miscellaneous	0	0	0	0
		0	Other (Transfer from Trust Fund)	3,968	3,968	3,968	3,968
	0	0	TOTAL OTHER REVENUE	3,968	3,968	3,968	3,968
379,680	531,465	616,606	TOTAL TOURISM PROMOTION FUND RESOURCES	713,318	713,318	713,318	713,318



Photo by John Garcia

Tourism Promotion & Facilities Fund

Fund 70, Department 700

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED By BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
PERSONNEL SERVICES							
		39,361	Wages and Salaries	74,270	74,270	74,270	74,270
		25,942	Payroll Benefits and Expenses	64,275	64,275	64,275	64,275
0	0	65,303	TOTAL PERSONNEL SERVICES	138,545	138,545	138,545	138,545
			Full Time Equivalent (FTE)		1.48	1.48	1.48
MATERIALS & SERVICES							
42,500	30,943	50,000	Contract Services	50,000	50,000	50,000	50,000
2,442	3,308	4,000	Building Operations (Phone, Maint Agree) **	4,000	4,000	4,000	4,000
2,710	0	5,000	Stationery and Supplies	1,000	1,000	1,000	1,000
4,658	5,629	16,000	Professional Services	10,000	10,000	10,000	10,000
0	0	0	Grants	20,000	20,000	20,000	20,000
728		17,000	Materials & Supplies	25,000	25,000	25,000	25,000
53,038	39,881	92,000	TOTAL MATERIALS AND SERVICES	110,000	110,000	110,000	110,000
CAPITAL OUTLAY							
6,268	2,895	10,000	Equipment	5,000	5,000	5,000	5,000
6,268	2,895	10,000	TOTAL CAPITAL OUTLAY	5,000	5,000	5,000	5,000
DEBT SERVICE							
50,868	50,868	50,900	Loan Repayment	50,900	50,900	50,900	50,900
50,868	50,868	50,900	TOTAL DEBT SERVICE	50,900	50,900	50,900	50,900
RESERVES							
			Contingency	10,000	10,000	10,000	10,000
		398,403	Reserve for Future	398,873	398,873	398,873	398,873
		398,403	TOTAL TOURISM PROMOTION FUND RESERVES	408,873	408,873	408,873	408,873
110,174	93,643	616,606	TOTAL TOURISM PROMOTION FUND EXPENDITURES	713,318	713,318	713,318	713,318

Timber Management Fund

Revenues generated by the periodic sale of timber on City-owned property.

REVENUES

The Timber Management Fund was established in 1994 for the purpose of harvesting and managing city owned timber resources. 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. The city completed its last timber sale in 2019 and transferred those funds to the City Hall Expansion Fund for the purpose of building a new City Hall.

EXPENDITURES

Proposed expenditures include possible forestry consultant services and forest road maintenance if needed.



Photo by Joshua Lamar

Timber Management Fund

Fund 57, Department 570

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
507,302	10,591	10,892	CARRY OVER BALANCE	13,541	13,541	13,541	13,541
USE OF MONEY & PROPERTY							
3,290	2,350	300	Earned Interest	300	300	300	300
0			Timber Sales	0	0	0	0
3,290		300	TOTAL USE OF MONEY & PROPERTY	300	300	300	300
510,592	12,941	11,192	TOTAL TIMBER MANAGEMENT FUND RESOURCES	13,841	13,841	13,841	13,841

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	PROPOSED BY BUDGET OFFICER	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
0	0	5,000	Contract Services	5,000	5,000	5,000	5,000
0	0	5,000	TOTAL MATERIALS & SERVICES	5,000	5,000	5,000	5,000
CAPITAL OUTLAY							
0		0	Total Capital Outlay	0	0	0	0
0	0	0		0	0	0	0
TRANSFER OUT							
500,000	-	0	City Hall Expansion Fund	0	0	0	0
	-	0	Total Transfers	0	0	0	0
RESERVES							
10,592	12,941	6,192	Unappropriated Ending Fund Balance	8,841	8,841	8,841	8,841
		6,192	TOTAL TIMBER FUND RESERVES	8,841	8,841	8,841	8,841
510,592	12,941	11,192	TOTAL TIMBER MANAGEMENT FUND EXPENDITURES	13,841	13,841	13,841	13,841

Housing Rehabilitation Loan Fund

This 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.



Photo by Joshua Lamar

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 fund has remained dormant for several years and no new loans have been allocated. Staff are exploring how these funds can be returned to be put to better use. For this Fiscal Year the funds have been allocated as they have in years past but it is expected that this fund will be closed in FY 24-25.

Housing Rehabilitation Loan Fund

Fund 61, Department 585

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
105,549	106,324	106,824	CARRY OVER BALANCE	108,118	108,118	108,118	108,118
USE OF MONEY & PROPERTY							
0	840	0	Loan Payments	0	0	0	0
775	554	500	Earned Interest	500	500	500	500
775	1,394	500	TOTAL USE OF MONEY & PROPERTY	500	500	500	500
106,324	107,718	107,324	TOTAL HOUSING REHAB LOAN FUND RESOURCES	108,618	108,618	108,618	108,618

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	PROPOSED BY BUDGET OFFICER	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
0	0	107,324	Contract Services	10,000	10,000	10,000	10,000
0	0	0	Rehabilitation Loans	98,618	98,618	98,618	98,618
0	0	107,324	TOTAL MATERIALS & SERVICES	108,618	108,618	108,618	108,618
RESERVES							
0	0	0	Unappropriated Ending Fund Balance	0	0	0	0
0	0	0	TOTAL HOUSING REHABILITATION LOAN FUND RESERVES	0	0	0	0
0	0	107,324	TOTAL HOUSING REHAB LOAN FUND EXPENDITURES	108,618	108,618	108,618	108,618



Photo by John Garcia

Trust Fund

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, primarily the fourth of July Parade. Due to GASB 54 standards established by the Government Accounting Standards Board (GASB), the Trust Fund revenues are required to be reported as part of General Fund revenues for auditing purposes. This adds unnecessary complexity to the city's accounting processes and requires additional auditing. The fund has not received donations in years and due to the complexity and accountability required to maintain this fund staff are recommending the funds be transferred to the Tourism Promotion Fund and officially closed via Resolution.

The City has added additional funding to the TCVA contract to account for oversight of the Fourth of July parade, enabling the city to extend insurance until the volunteer groups can establish separate 501C3 status. The City also worked with volunteers to set up a donation site on the Explore Manzanita website to facilitate donations for the parade.



Capital Project Funds

These funds are intended to account for the 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.



Photo by John Garcia



Photo by Dan Weitzel

Water System Development Charge Fund

REVENUES

The Water System Development Charge Fund accounts for major system expansion or improvement projects. The funding sources for the Water System Development Charge Fund include system development charges and transfers from the Water Utility Fund. The carryover amount reflects the reserve for future system replacement of around \$2.6 million. System Development Charges are \$6,900 per dwelling unit. These funds are restricted to construction of facilities that expand the city's water system.

EXPENDITURES

The 2022 Water System Master Plan update included a priority list of projects to complete for the water system. In FY 22-23 the city budgeted for the final design and completion of the Dorcas Lane Project. That project is nearing completion and the FY 2023-2024 focus is on maintenance and initial planning and design for future years. The city has established an initial Capital Improvement Plan which includes the priority maintenance projects for the next five years. Historically the city has taken a "one project at a time" approach. The CIP proposes to shift to a more strategic planning approach where the city focuses both on maintenance and longer term priority projects by completing design in phases allowing for a more robust cost estimate and advancing multiple projects strategically. This approach will enable the city to be more proactive in implementation of water construction projects.



Photo by Joshua Lamar

Water SDC Fund Fund 41, Department 810

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
2,398,581	2,765,441	3,153,082	CARRY OVER BALANCE	2,627,495	2,627,495	2,627,495	2,769,495
CHARGES FOR SERVICES							
296,700	282,900	208,400	System Development Charges	69,000	69,000	69,000	69,000
296,700	282,900	208,400	TOTAL CHARGES FOR SERVICES	69,000	69,000	69,000	69,000
USE OF MONEY & PROPERTY							
15,486	11,059	6,000	Earned Interest	6,000	6,000	6,000	6,000
15,486	11,059	6,000	TOTAL CHARGES FOR USE OF MONEY & PROPERTY	6,000	6,000	6,000	6,000
OTHER REVENUE							
0	0	0	Miscellaneous	0	0	0	0
0	0	0	Grants	0	0	0	0
0	0	0	TOTAL CHARGES FOR OTHER REVENUE	0	0	0	0
TRANSFER IN:							
75,000	200,000	0	Water Operating Utility Fund	0	0	0	0
1,800	43,640	0	Puffin LID	0	0	0	0
76,800	243,640	0	TOTAL TRANSFERS IN	0	0	0	0
2,787,567	3,303,040	3,367,482	TOTAL WATER CONSTRUCTION FUND RESOURCES	2,702,495	2,702,495	2,702,495	2,844,495

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
0	0	5,000	Contract Services	22,000	22,000	22,000	22,000
0	0	0	Advertising	2,000	2,000	2,000	2,000
0	0	0	Professional Fees	5,000	5,000	5,000	5,000
0	0	5,000	TOTAL MATERIALS & SERVICES	29,000	29,000	29,000	29,000
CAPITAL OUTLAY							
22,125	20,187	751,359	Water Construction Projects: Manzanita System Projects	200,000	200,000	200,000	342,000
22,125	20,187	751,359	TOTAL CAPITAL OUTLAY	200,000	200,000	200,000	342,000
TRANSFERS							
0	0	44,265	Indirect Cost Transfer to General Fund	0	0	0	0
0	0	44,265	TOTAL TRANSFERS OUT	0	0	0	0
RESERVES							
		40,000	Contingency	20,000	20,000	20,000	20,000
2,765,442	3,282,854	2,526,858	Unappropriated Ending Fund Balance	2,453,495	2,453,495	2,453,495	2,473,495
2,765,442	3,282,854	2,566,858	TOTAL WATER CONSTRUCTION FUND RESERVES	2,473,495	2,473,495	2,473,495	2,473,495
2,787,567	3,303,041	3,367,482	TOTAL WATER CONSTRUCTION FUND EXPENDITURES	2,702,495	2,702,495	2,702,495	2,844,495

Storm Drain SDC Fund

REVENUES

Storm Drain SDC Fund include revenues from storm drain system development charges, which are used for the renovation and improvement of the City storm drain system. These fees are currently set at \$174 per housing unit. In FY 22-23 the City completed an SDC study for the Storm Drain and is in the process to update the Storm SDC to \$1,699 per connection. Council has given staff direction to proceed with the necessary steps to adopt this new fee and it is expected that this will be in place at the beginning of FY 23-24. As such, the revenues estimated are based on the anticipated new SDC fee. However, because the SDC was so low and never updated until now the SDCs alone will not generate sufficient resources to do any meaningful project expansion for many years. The storm drain facilities fund has primarily been funded by transfers from the General Fund again illustrating the city dependence of TLT to fund infrastructure and utilities. The city will need to find additional resources to help support this fund over time. The new SDC will certainly help but there is still work to do to ensure the long term implementation of the storm drain system. The proposed budget includes a transfer from the General Fund to support early design of CIP projects.

EXPENDITURES

Contracted services include resources for early design work for CIP projects. Materials and Services are for minor new storm water projects by staff if needed.

Storm Drain SDC Fund

Fund 53, Department 810

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
75,739	137,690	202,990	CARRY OVER BALANCE	0	0	0	0
CHARGES FOR SERVICES							
7,415	6,438	5,500	System Development Charges	16,690	16,690	16,690	16,690
USE OF MONEY & PROPERTY							
426	304	100	Earned Interest	100	100	100	100
OTHER REVENUE							
60,000	75,000	5,000	Transfer in from General Fund	25,000	25,000	25,000	25,000
143,580	219,432	213,590	TOTAL STORM DRAIN RESOURCES	41,790	41,790	41,790	41,790

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
0		0	Contract Services	20,000	20,000	20,000	20,000
4,770	1,173	15,000	Materials & Services	5,000	5,000	5,000	5,000
4,770	1,173	15,000	TOTAL MATERIALS & SERVICES	25,000	25,000	25,000	25,000
CAPITAL OUTLAY							
1,120	8,662	194,400	Storm Drain Construction	0	0	0	0
	8,662	194,400	TOTAL CAPITAL OUTLAY	0	0	0	0
RESERVES							
		4,190	Contingency				
0		0	Unappropriated Ending Fund Balance	16,790	16,790	16,790	16,790
		4,190	TOTAL STORM DRAIN FUND RESERVES	16,790	16,790	16,790	16,790
5,890	9,835	213,590	TOTAL STORM DRAIN EXPENDITURES	41,790	41,790	41,790	41,790



Photo by Joshua Lamar

Park Facilities Fund

REVENUES

Revenues include system development charges from new residences, private donations, and earned interest. State statute 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. Current system development charges for parks is \$60 per unit resulting in very little funding for park related projects. Park operations and maintenance and funded through the General Fund and reflected in the Parks Department budget under the General Fund section.

EXPENDITURES

A Parks, Recreation and Open Space Master Plan was adopted in March, 2011. Staff recommends this plan be updated prior to a rate study for updating the system development charges for parks or investing any additional General Fund resources.

Park Facilities Fund

Fund 52, Department 810

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
19,245	21,767	21,278	CARRY OVER BALANCE	24,644	24,644	24,644	24,644
CHARGES FOR SERVICES							
2,400	2,280	2,160	System Development Charges	600	300	300	300
USE OF MONEY & PROPERTY							
122	87	50	Earned Interest	50	50	50	50
OTHER REVENUE							
0		0	Miscellaneous	0	0	0	0
0		0	Grants	0	0	0	0
TRANSFERS IN:							
0		0	- General Fund		0	0	0
21,767	24,134	23,488	TOTAL PARK FACILITIES FUND RESOURCES	25,294	24,994	24,994	24,994

EXPENSES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
0		600	Materials & Supplies	0	0	0	0
0		0	Professional Services	0	0	0	0
0	0	600	TOTAL MATERIALS & SERVICE	0	0	0	0
CAPITAL OUTLAY							
0		0	Park Improvements	0	0	0	0
0		0	Real Property	0	0	0	0
	0	0	TOTAL CAPITAL OUTLAY	0	0	0	0
RESERVES							
0		22,888	Unappropriated Ending Fund Balance	25,294	24,994	24,994	24,994
		22,888	TOTAL PARK FACILITIES FUND RESERVES	25,294	24,994	24,994	24,994
0	0	23,488	TOTAL PARK FACILITIES FUND EXPENDITURES	25,294	24,994	24,994	24,994

City Hall Construction Fund



Photo by Joshua Lamar

REVENUES

Revenues include carryover from FY 22-23 and a transfer from the General Fund. The expected Revenue from the sale of the old city hall is included in the General Fund Revenue to balance the transfer proposed for the City Hall Construction Fund.

EXPENDITURES

Expenditures reflect the anticipated costs for the owners representative and architect services if the city proceeds with Phase 2 of the City Hall project. Expenditures also include resources required to complete hazardous materials abatement and demolition of the existing structures on the site. Finally, a debt service payment is included for Underhill Plaza. It should be noted that there was not a transfer from the General Fund last year to cover this debt service payment.

City Hall Construction Fund

Fund 51, Department 850

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
270,557	691,990	606,790	CARRY OVER BALANCE	220,000	220,000	220,000	220,000
USE OF MONEY & PROPERTY							
377	268	300	Earned Interest	250	250	250	250
0		700,000	Surplus Property/Equipment Sales	0	0	0	0
15,939	7,314	0	Rental Income	0	0	0	0
16,316	7,582	700,300	TOTAL USE OF MONEY & PROPERTY	250	250	250	250
OTHER REVENUE							
0	0	0	Grants	60,000	60,000	60,000	60,000
0	0	0	TOTAL OTHER REVENUE	60,000	60,000	60,000	60,000
TRANSFER IN:							
100,000	155,400	0	General Fund	700,000	700,000	700,000	700,000
500,000		0	Timber Management Fund				
600,000	155,400	0	TOTAL TRANSFERS	700,000	700,000	700,000	700,000
886,873	854,972	1,307,090	TOTAL CITY HALL EXPANSION RESOURCES	980,250	980,250	980,250	980,250

City Hall Construction Fund

Fund 51, Department 850

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
MATERIALS & SERVICES							
24,614	37,849	190,000	Contract Services	50,000	50,000	50,000	50,000
2,709	234	4,000	Materials & Supplies	0	0	0	0
518	597	500	Utilities	0	0	0	0
9,635	36,028	100,000	Professional Services	450,000	450,000	450,000	450,000
2,074	1,771	2,000	Miscellaneous	0	0	0	0
39,550	76,480	296,500	TOTAL MATERIALS AND SERVICES	500,000	500,000	500,000	500,000
CAPITAL OUTLAY							
0	0	0	City Hall Construction	324,850	324,850	324,850	324,850
0	0	0	TOTAL CAPITAL OUTLAY	324,850	324,850	324,850	324,850
DEBT SERVICE							
155,332	155,332	155,400	Loan Repayment	155,400	155,400	155,400	155,400
0	0	250,000	Construction Loan Repayment				
155,332	155,332	405,400	TOTAL DEBT SERVICE	155,400	155,400	155,400	155,400
RESERVES							
		605,190	Remaining Fund Balance	0	0	0	0
194,882	231,812	605,190	Total City Hall Construction Fund Reserves	0	0	0	0
194,432	231,812	1,307,090	TOTAL CITY HALL EXPANSION EXPENDITURES	980,250	980,250	980,250	980,250



Photo by Joshua Lamar

Reserve Funds

Public Safety Equipment Reserve Fund accounts for the transfer of funds from the General Fund for the purchase of major equipment and vehicles for the Public Safety Department.

Public Works Equipment Reserve Fund accounts for the transfer of funds from the Water Utility and Road Funds (transfers from the Road Fund include General Fund dollars) for the purchase of equipment which benefits the water, storm drainage, roads and parks operations.

Building Reserve Fund accounts for the transfer of funds from the Building Fund for vehicles for building staff for inspections and other equipment.

Public Works Equipment Reserve

REVENUES

This fund is authorized by ORS 294.525(1), established by Ordinance 01-02, and renewed by Resolution 22-17. Revenues from the Water Utility 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 Utility 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

An amount of \$20,000 is included if an opportunity arises to acquire any unanticipated capital equipment needs.

Public Works Equipment Reserve - 2001

Fund 54, Department 850

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
162,428	114,973	131,473	CARRY OVER BALANCE	123,686	123,686	123,686	123,686
USE OF MONEY & PROPERTY							
416	297	100	Earned Interest	200	200	200	200
0	14,504	500	Surplus Property/Equipment Sales	0	0	0	0
416	14,801	600	Total Use of Money & Property	200	200	200	200
TRANSFER IN:							
9,200	9,200	8,700	Road Fund	8,700	8,700	8,700	8,700
14,300	14,300	16,896	Water Operating Utility Fund	17,000	17,000	17,000	17,000
23,500	23,500	25,596	TOTAL TRANSFER IN	25,700	25,700	25,700	25,700
186,344	153,274	157,669	TOTAL PUBLIC WORKS EQUIP RESERVE RESOURCES	149,586	149,586	149,586	149,586

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
CAPITAL OUTLAY							
0	8,500	36,000	Vehicle/Equipment Purchase	20,000	20,000	20,000	20,000
71,371	0	0	Vehicle				
0	0	0	Equipment				
71,371	8,500	36,000	TOTAL CAPITAL OUTLAY	20,000	20,000	20,000	20,000
RESERVES							
114,973	144,744	121,699	Reserve for Future	129,586	129,586	129,586	129,586
114,973	144,744	121,699	TOTAL PUBLIC WORKS EQUIPMENT RESERVE	129,586	129,586	129,586	129,586
186,344	153,274	157,669	TOTAL PUBLIC WORKS EQUIP RESERVE EXPENDITURES	149,586	149,586	149,586	149,586



Photo by John Garcia

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 that accounts for inflation and cost increases.

EXPENDITURES

The anticipated expenditure includes the replacement of 2 police patrol vehicle. Due to supply chain issues and increased costs the city was unable to acquire a police patrol vehicle in FY 22-23. This years budget includes the acquisition of two patrol vehicles and assumes that one of the vehicles will be retained for the code enforcement position.

Public Safety Reserve Fund

Fund 60, Department 850

RESOURCES

BUDGET FOR FISCAL YEAR 2023-2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
125,197	107,138	88,268	CARRY OVER BALANCE	102,850	102,850	102,850	102,850
USE OF MONEY & PROPERTY							
639	457	400	Earned Interest	0	0	0	0
0	14,525	0	Surplus Property Sales - Police	0	0	0	0
OTHER REVENUE							
0		0	Miscellaneous	0	0	0	0
125,836	122,120	400	TOTAL USE OF MONEY & PROPERTY	0	0	0	0
TRANSFER IN:							
26,200	26,200	26,200	- General Fund	30,000	30,000	30,000	30,000
		26,200	TOTAL TRANSFER IN	30,000	30,000	30,000	30,000
152,036	148,320	114,868	TOTAL PUBLIC SAFETY RES FUND RESOURCES	132,850	132,850	132,850	132,850

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023-2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
CAPITAL OUTLAY							
44,898	45,470	50,000	Vehicle/Equipment Replacement - Police	125,000	125,000	125,000	125,000
44,898	45,470	50,000	TOTAL CAPITAL OUTLAY	125,000	125,000	125,000	125,000
RESERVES							
107,138	102,850	64,868	Reserve for Future - Police	7,850	7,850	7,850	7,850
107,138	102,850	64,868	TOTAL PUBLIC SAFETY EQUIPMENT FUND RESERVES	7,850	7,850	7,850	7,850
152,036	148,320	114,868	TOTAL PUBLIC SAFETY RES FUND EXPENDITURES	132,850	132,850	132,850	132,850

Building Reserve Fund

Fund 80, Department 850

RESOURCES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
			CARRY OVER BALANCE	4,500	4,500	4,500	4,500
USE OF MONEY & PROPERTY							
			Earned Interest	0	0	0	0
			Surplus Property Sales	0	0	0	0
OTHER REVENUE							
			Miscellaneous	0	0	0	0
			TOTAL USE OF MONEY & PROPERTY	0	0	0	0
TRANSFER IN:							
		12,500	Building Fund	2,500	2,500	2,500	2,500
		12,500	TOTAL BUILDING RESERVE FUND RESOURCES	7,000	7,000	7,000	7,000

EXPENDITURES

BUDGET FOR FISCAL YEAR 2023/2024

ACTUAL 20/21	ACTUAL 21/22	ADOPTED 22/23		PROPOSED BY STAFF	PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
CAPITAL OUTLAY							
		10,000	Vehicle/Equipment Replacement	0	0	0	0
0	0	10,000	TOTAL CAPITAL OUTLAY	0	0	0	0
RESERVES							
		2,500	Reserve for Future	7,000	7,000	7,000	7,000
		2,500	TOTAL BUILDING FUND RESERVES	7,000	7,000	7,000	7,000
0	0	12,500	TOTAL BUILDING RESERVE FUND EXPENDITURES	7,000	7,000	7,000	7,000

Trust Fund

Fund 59

RESOURCES

	Actuals 20/21	Actual 21/22	Budget 22/23	YTD	EOY	Budget Officer Proposed
Carryover to Judge's Discretionary	3,968	0	0	0		3,968
Carryover to July 4th Parade	0	325	325	0		
Carryover to Park Beautification Fund	0	950	950	0		0
Carryover to Pet Waste Stations	0	1,848	1,848	0		0
Carryover to Beach Wheelchairs	0	500	500	0		0
Carryover to Holiday decorations	0	345	345	0		0
Total Carryover Balance	3,968	3,968	3,968	0	0	3,968
Donations to Judge's Discretionary	0	0	0	0		0
Donations to July 4th Parade	0	0	0	0		0
Donations to Park Beautification Fund	0	0	0	0		0
Donations to Pet Waste Stations	0	0	0	0		0
Donations to Holiday decorations	0	0	0	0		0
Donations to Beach Wheelchairs	0	0	0	0		0
Total Donations	0	0	0	0	0	0
Total Trust Fund Resources	3,968	3,968	3,968	0	0	3,968

EXPENDITURES

	Actuals 20/21	Actual 21/22	Budget 22/23	YTD	EOY	Budget Officer Proposed
Materials and Services	0	0	0	0		0
Supplies and Services-Judge Discretionary	0	0	0	0		0
Supplies and Services- July 4th Parade Com	0	0	0	0		0
Supplies and Services - Holiday decorations	0	0	0	0		0
Supplies and Services- Park Beautification	0	0	0	0		0
Supplies and Services- Pet Waste Stations	0	0	0	0		0
Total Materials and Services	0	0	0	0	0	0
Park Equipment	0	0	0	0		0
Beach Wheelchairs	0	0	0	0		0
Total Capital Outlay	0	0	0	0	0	0
Ending Fund Balance/Reserve				0		0
Transfer to Tourism Promotion Fund						3968
Total Trust Fund Expenditures	0	0	0	0	0	3,968
Carryover		3,968	3,968			



Photo by Joshua Lamar

Summary of Resources and Requirements by Fund

FY 2023-2024 BUDGET

	General Fund	Building Fund	Water Operations	Water Construction	Road Construction	Tourism and Promotion	Timber Management Fund
Carry Over Balance - Non Reserve	2,592,609	354,110	338,010	2,769,495	597,000	488,600	13,541
Carry Over Balance - Reserve							
Property Taxes	257,500						
Delinquent Property Taxes	6,000						
Room Tax Collections	1,300,000					220,000	
Franchises and Utility Agreements	67,900				70,000		
Business Licenses	23,000						
Building Permits		225,000					
Charges for Services			1,100,000				
System Development Charges				69,000			
Fees for Services	235,000				2,000		
Civic Improvement Fees	-						
Liquor Tax	11,820						
Cigarette Tax	600						
Motor Vehicle Tax					40,000		
State Revenue Sharing	17,670						
Intergovernmental Agreements	55,560						
Earned Interest	20,000		7,000	6,000	2,000	750	300
Surplus Property/Equipment							
Fines and Forfeits	20,000						
Timber Sales							-
Neah Kah Nie Tax	6,120						
Miscellaneous	-		-				
Donations	-						
Transfers In	218,332	-		-	100,000	3,968	
Land Sales	500,000						
Grants	-		-				
Total Resources	5,332,111	579,110	1,453,510	2,844,495	811,000	713,318	13,841
Personnel Services	1,404,328	161,318	550,607		96,558	138,545	
Materials and Services	906,000	107,800	445,888	29,000	74,900	110,000	5,000
Capital Outlay	7,000	7,500	3,500	342,000	530,000	5,000	
Debt Service	-		180,000			50,900	
Transfers Out	855,000	29,832	208,000		8,700		
Contingency	129,000	10,000	65,515	20,000	40,000	10,000	
Policy Reserve	407,000	-					
Unappropriated Ending Fund Balance	1,623,783	262,660		2,453,495	60,842	398,873	8,841
Total Requirements by Fund	5,332,111	579,110	1,453,510	2,844,495	811,000	713,318	13,841

Housing Rehabilitation Fund	Trust Fund	City Hall Expansion Fund	Park Facilities Fund	Storm Drain Facilities Fund	Public Works Equipment Reserve	Public Safety Equipment Reserve	Building Equipment Reserve	Total
108,118	3,968	220,000	24,644	-	123,686	102,850	4,500	7,094,131
								257,500
								6,000
								1,520,000
								137,900
								23,000
								225,000
								1,100,000
			300	16,690				85,990
								237,000
								11,820
								600
								40,000
								17,670
								55,560
500		250	50	100	200	-		37,150
					-			
								20,000
								6,120
		700,000		25,000	25,700	30,000	2,500	1,105,500
								500,000
		60,000						60,000
108,618	3,968	980,250	24,994	41,790	149,586	132,850	7,000	13,196,441
								2,351,355
108,618	-	500,000	-	25,000				2,312,206
		324,850	-	-	20,000	125,000	-	1,364,850
		155,400						386,300
	3,968							1,105,500
								274,515
								407,000
		-	24,994	16,790	129,586	7,850	7,000	4,994,714
108,618	3,968	980,250	24,994	41,790	149,586	132,850	7,000	13,196,441

FINANCIAL FORECAST



Photo by John Garcia

Financial Forecasting

Financial forecasts are essential to understanding different financial outcomes, strategizing around future anticipated changes in revenue and expenditures. The proposed budget includes some preliminary forecast estimates for the General Fund only. Financial forecasts should be established for the Water Utility once the Water Utility rates are officially in place. Staff anticipate developing a similar model for the Water utility for Fiscal Year 2024-2025. The General Fund forecast is also an essential tool for understanding the impact of not diversifying revenue for infrastructure and policy choices such as whether to take on debt service.

5 Year Projections General Fund

Revenue Assumptions

Key revenue projections include an estimate for the Transient Lodging Tax (TLT) that is based on taking the FY 2017-2018 TLT revenue and increasing it by 10% to the current year to smooth out the effect of the COVID 19 pandemic where TLT funds were both positively and negatively impacted. The shutdown of Short-Term Rentals in 2020 impacted the city's revenue negatively whereas subsequent years TLT revenues skyrocketed – between FY 2020-2021 and FY 2021-2022 the City saw a 42% increase in TLT. The FY 2023-2024 budget estimates \$1.3 million for the fiscal year. The projection model includes a 4% increase thereafter.

Revenue sources related to Revenue Sharing and Property Taxes use the State Shared Revenue Report from the League of Oregon Cities, and property tax estimates are based on the constitutional limitation of 3% due to Measures 5 and 50. Fees for service are increased due to the increase in STR fees. Other revenue sources are based primarily on historical averages.

Expenditure Assumptions

Include a 4% increase in personnel services with an 4% increase in Materials and Services across the board.

RESOURCES

	FY20/21	FY21/22	Current Fiscal Year Estimated FY23
Beginning Fund Balance (Carryover Reserve)	\$688,294	\$1,367,725	\$2,317,044

Revenues

Taxes

Property Taxes	226,395	242,891	250,000
Delinquent Property Taxes	6,361	6,673	6,000
Room Tax	1,142,056	1,628,971	1,500,000
Total Taxes	1,374,812	1,878,535	1,756,000

Intergovernmental Agreements

Police Services	55,560	43,720	55,870
State Revenue Sharing	25,366	17,536	17,600
Liquor Tax	12,558	11,810	11,790
Cigarette Tax	617	547	600
Neah-Kah-Nie Excise Tax	2,360	6,136	6,000
Grant Revenue	-	73,368	73,409
Total Intergovernmental Agreements	96,461	153,117	165,269

Charges For Services (Licenses & Permits)

Franchise & Utility Agreements	60,360	63,295	65,900
Civic Improvement Fee (Permits)	54,983	46,094	46,094
Business License (Permits)	21,361	23,918	22,550
Miscellaneous (STR, Land Use Misc)	388,825	523,878	83,383
Total Charges For Services	525,529	657,185	217,927

Fines & Forfeitures

Fines & Forfeitures	63,652	23,439	20,000
STR Fines & Penalties	-	-	-
Total Fines & Forfeitures	63,652	23,439	20,000

Miscellaneous

Other / Settlements	83,146	41,924	-
Interest Income	10,380	17,276	20,000
Total Miscellaneous	93,526	59,200	20,000

Transfers In

Tourism Promotion Fund	-	-	-
Total Transfers In	-	-	-

Transfers In For Internal Services

Building Fund	-	-	3,711
Water Fund	157,348	157,348	168,350
Water Construction Fund	-	-	-
Tourism Promotion Fund	-	-	-
Total Transfers In	157,348	157,348	172,061

Total Revenues	2,311,328	2,928,824	2,351,258
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TOTAL RESOURCES	2,999,622	4,296,549	4,668,302
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Current Budget +1 FY24	Forecast				
	+2 FY25	+3 FY26	+4 FY27	+5 FY28	
\$2,592,608	\$2,030,783	\$2,258,568	\$2,497,913	\$2,751,514	
257,500	266,500	274,500	282,740	291,230	
6,000	6,000	6,000	6,000	6,000	
1,300,000	1,378,000	1,460,680	1,548,321	1,641,221	
1,563,500	1,650,500	1,741,180	1,837,061	1,938,451	
55,560	64,000	64,000	64,000	64,000	
17,670	17,740	17,820	17,910	18,000	
11,820	12,770	13,510	14,280	15,100	
600	600	600	600	600	
6,120	6,240	6,370	6,500	6,630	
-	-	-	-	-	
91,771	101,350	102,300	103,290	104,330	
67,900	69,900	71,900	73,900	75,900	
-	-	-	-	-	
23,000	23,459	23,929	24,409	24,899	
235,000	235,000	235,000	235,000	235,000	
325,900	328,359	330,829	333,309	335,799	
20,000	20,201	20,404	20,609	20,816	
-	-	-	-	-	
20,000	20,201	20,404	20,609	20,816	
500,000	-	-	-	-	
20,000	20,000	20,000	20,000	20,000	
520,000	20,000	20,000	20,000	20,000	
-	-	-	-	-	
-	-	-	-	-	
27,332	28,000	28,000	28,000	28,000	
191,000	196,000	201,000	207,000	213,000	
-	-	-	-	-	
-	-	-	-	-	
218,332	224,000	229,000	235,000	241,000	
2,739,504	2,344,411	2,443,714	2,549,270	2,660,397	
5,332,111	4,375,194	4,620,283	4,893,903	5,198,500	

REQUIREMENTS

Current
Fiscal Year
Estimated
FY23

FY20/21

FY21/22

Estimated
FY23

Department Expenditures

Administration	591,811	775,719	893,565
Public Safety	582,335	530,158	692,720
Municipal Court	39,461	66,989	38,292
Parks	56,130	36,225	29,301
Building Department	74,582	106,066	-
Civic Improvement Department	-	60,000	80,000
Non-Departmental			
Materials & Services & Capital Outlay	1,378	173,148	42,000
Transfers Out	286,200	231,200	299,815
Contingency	-	-	-
	-	-	-
Total Department Expenditures	1,631,897	1,979,505	2,025,694

Fund Balance

Policy Requirement %	0%	0%	15.0%
Policy Requirement	-	-	245,000

Reserves

Contingency / Policy Reserve	-	-	245,000
Debt Service	-	-	-
Undesignated	1,367,725	2,317,044	2,337,354
Total Ending Fund Balance	1,367,725	2,317,044	2,642,608
Over (Under) Policy Reserve	1,367,725	2,317,044	2,337,354

TOTAL REQUIREMENTS	2,999,622	4,296,549	4,668,302
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Current Budget		Forecast				
+1 FY24	+2 FY25	+3 FY26	+4 FY27	+5 FY28		
1,265,410	987,274	1,026,485	1,067,265	1,109,675		
798,853	825,807	858,840	893,193	928,921		
45,956	48,525	51,241	54,112	57,147		
32,110	33,395	34,730	36,120	37,564		
-	-	-	-	-		
-	-	-	-	-		
175,000	18,224	18,953	19,712	20,500		
855,000	285,400	285,400	285,400	208,478		
129,000	-	-	-	-		
-	-	-	-	-		
3,301,929	2,198,625	2,275,649	2,355,801	2,362,285		
17.5%	20.0%	22.5%	25.0%	25.0%		
407,000	381,000	446,000	515,000	536,000		
536,000	381,000	446,000	515,000	536,000		
-	-	-	-	-		
1,494,182	1,795,568	1,898,633	2,023,102	2,300,214		
2,030,182	2,176,568	2,344,633	2,538,102	2,836,214		
1,752,782	1,795,568	1,898,633	2,023,102	2,300,214		
5,332,111	4,375,194	4,620,283	4,893,903	5,198,500		



Photo by Joshua Lamar

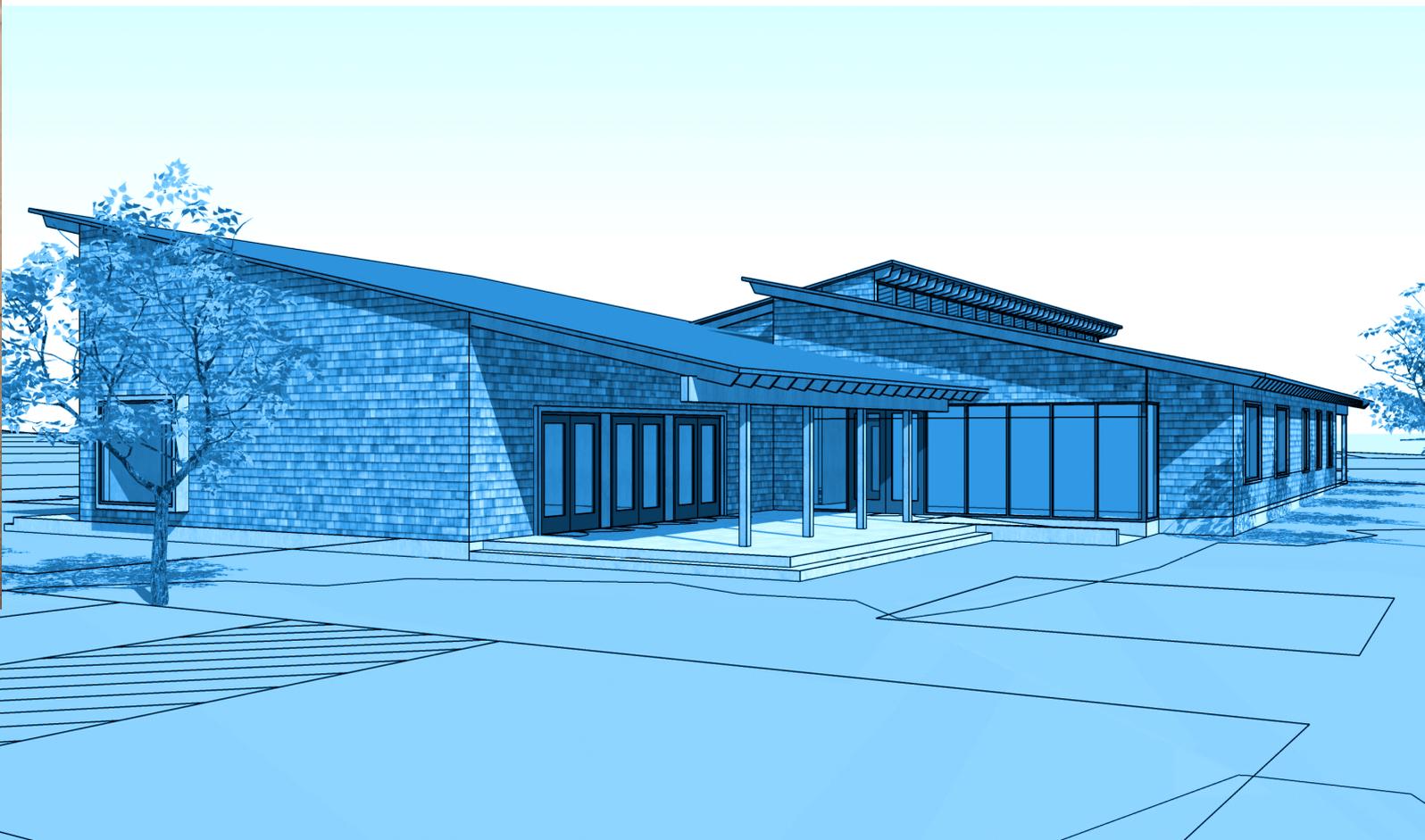
Capital Improvement Plan Overview

The Capital Improvement Plan (CIP) provides guidance and planning for the City of Manzanitas infrastructure. The CIP is based on the city's Master Plan Documents including the Water Master Plan and the Storm Water Master Plan. Future additions of the CIP are anticipated to include a Transportation Systems Plan, and eventually an updated Parks Master Plan.

The Master Plans include the long-term needs of the city as defined through community input, expert consultants, and City Staff. City Council goals also help refine and shape the CIP. Projects within the CIP are prioritized based on necessity and the priorities for implementing these master plans. Projects within the CIP are matched with funding where known and available. Inclusion of a project in the CIP does not necessarily reflect a budgeted spending commitment except for those in the current fiscal year. Some projects were included in the event that grant or other funding becomes available. Having a project in a CIP can be helpful and sometimes necessary to qualify for a grant. Additionally, some projects are shown as unfunded or only partially funded and will require additional resources to complete.

Funding for Capital Projects

Aside from Water Utility related maintenance or expansion projects, Manzanita has paid for many of the city's capital needs through the General Fund particularly roads and storm drain systems. That has created an imbalanced reliance on General Fund revenues to support both city operations and infrastructure, further increasing reliance on the Transient Lodging Tax which is the city's greatest source of revenue. Due to the city's low property tax revenue other sources of funding will need to be identified in addition to System Development Charges to ensure the ongoing maintenance and operations of all the city's utilities.



Multi Fund Projects

South Classic Street

The Classic Street project was identified in the City's Downtown Transportation Master Plan and the Draft Transportation System Plan. This project is currently unfunded. Staff estimate that in FY 24/25 initial survey and design work could be completed to assess existing conditions and determine the exact location of the right of way, and whether additional easements are needed to create a safe and functional multi modal street between Dorcas and Necarney Roads. Classic has become a critical thoroughway for all modes of transportation but lacks safe road edges creating conflicts between pedestrians and cyclists and motorists. The road was also not built to city standard. Both the Water Master Plan and Storm Drain Master plan include the addition of a water main and a storm drain system in the Right of Way.

	Project Estimate (2023)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$1,890,093		\$152,617	\$370,996		\$1,366,480	
Construction	\$2,522,105						\$2,522,105
TOTAL ESTIMATED CAPITAL COST	\$4,412,198						
Funding Source:							
Water SDC Fund	\$1,881,778		\$47,550	\$114,277		\$644,287	\$1,075,664
Storm Drain SDC Fund	\$1,587,092		\$28,755	\$73,317		\$577,805	\$907,215
Road Facilities Fund	\$943,328		\$76,312	\$183,402		\$144,388	\$539,226
TOTAL FUNDING	\$4,412,198		\$152,617	\$370,996		\$1,366,480	\$2,522,105
TOTAL UNFUNDED ESTIMATED	\$2,530,421		\$105,067	\$256,719		\$722,193	\$1,446,442

Dorcas Phase 2

The Dorcas Phase 2 project is a completion of work from last fiscal year. This project includes asphalt curved intersection aprons with gutters and catch basins along the north side of Dorcas Lane. The project also includes the reconstruction of 4th street road system and installation of a 18 inch storm line from Dorcas Ln to the Edmund ROW. Currently storm water is being moved down Fourth Street through a 10" abandoned water main as a temporary measure. This project will require additional funding to complete and elements of the project are currently unfunded.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$150,810	\$44,312	\$106,498				
Construction	\$981,706					\$981,706	
TOTAL ESTIMATED CAPITAL COST	\$1,132,516					\$981,706	
Funding Source:							
Storm Drain SDC Fund	\$547,918	\$20,025	\$48,127			\$479,766	
Road Facilities Fund	\$584,598	\$24,287	\$58,371			\$501,940	
TOTAL FUNDING REQUIRED	\$1,132,516	\$44,312	\$106,498			\$981,706	
TOTAL UNFUNDED ESTIMATED			\$106,498			\$981,706	

Water Utility Projects

Hwy 101 Phase 2 Water Main Replacement

This project would replace a 6" asbestos concrete water main. This water main is a main loop line for the water distribution system and feeds water to a critical facility along with an emergency inter tie with the City of Nehalem. During the ODOT Hwy 101 Corner project the water main crossing under 101 from the treatment plant was compromised and failed. Because of a lack of valves, a main failure along the Highway 101 main will result in an interruption to service to the Legacy Medical Clinic, the emergency connection to Nehalem and many homes. Project scope includes replacement of the water main with an 8" high density polyethylene(HDPE) line from south of the water treatment plant (end point of Phase 1) to the Hwy 101 crossing located at Covenant Community Church.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$89,495	\$89,495					
Construction	\$479,335		\$479,335				
TOTAL ESTIMATED CAPITAL COST	\$568,830						
Funding Source:							
Water SDC Fund	\$341,298	\$53,697	\$287,601				
Water Utility Fund	\$227,532	\$35,798	\$191,734				
TOTAL FUNDING	\$568,830	\$89,495	\$479,335				

Pelican Lane Water Main Replacement

The Pelican Lane project will replace a 2" ABS water main that does not meet potable water standards of today. This water main is a dead-end line that feeds water to residential area. This pipe material is fragile and prone to leaks and failure and has been repaired multiple times over the last several years. The water main would be upgraded to a 4" HDPE resilient main with new water services lines that would be installed along with valves, air relief, and a blow off.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$35,640	\$35,640					
Construction	\$190,888		\$190,888				
TOTAL ESTIMATED CAPITAL COST	\$226,528	\$35,640	\$190,888				
Funding Source:							
Water SDC Fund	\$135,917	\$21,384	\$114,533				
Water Utility Fund	\$90,611	\$14,256	\$76,355				
TOTAL FUNDING	\$226,528	\$35,640	\$190,888				

Windward Water Main Replacement

This project would include the replacement of a 2" ABS and 4" Asbestos water main. This water main supplies water to the adjacent residential area. Asbestos concrete is fragile and prone to leaks and failure and there is a long history of repairs to both the asbestos concrete line, ABS, and service lines to homes along this line. The water main would be upgraded to a 4" HDPE resilient main with new water services lines that would be installed along with valves, air relief, and a blow off.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$34,140	\$34,140					
Construction	\$255,669		\$255,669				
TOTAL ESTIMATED CAPITAL COST	\$289,809						
Funding Source:							
Water SDC Fund	\$203,012	\$20,484	\$182,528				
Water Utility Fund	\$86,797	\$13,656	\$73,141				
TOTAL FUNDING	\$289,809						

Sandpiper Ln Water Main Replacement

The current water main is a 2" PVC. This water main is a dead-end water line that feeds the adjacent residential area and would be upgraded to a 4" HDPE on Sandpiper Lane and a 6" HDPE main on Gary St. New water services, valves, and hydrants would be installed as part of the project.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$42,018		\$12,145	\$29,873			
Construction	\$234,573				\$234,573		
TOTAL ESTIMATED CAPITAL COST	\$276,591						
Funding Source:							
Water SDC Fund	\$162,526		\$7,458	\$17,924	\$137,144		
Water Utility Fund	\$114,065		\$4,687	\$11,949	\$97,429		
TOTAL FUNDING	\$276,591						

Nehalem Ave Water Main Replacement

Nehalem Ave water main is constructed of 4" asbestos concrete. This water main serves the adjacent residences and provides a loop to the Nehalem Bay State Park and area residents. The water main would be upgraded to a 4" HDPE and would include new water service lines, valves, air relief, and a blow off.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$45,569		\$13,411	\$32,158			
Construction	\$246,060				\$246,060		
TOTAL ESTIMATED CAPITAL COST	\$291,629						
Funding Source:							
Water SDC Fund	\$174,960		\$8,029	\$19,295	\$147,636		
Water Utility Fund	\$116,669		\$5,382	\$12,863	\$98,424		
TOTAL FUNDING	\$291,629						

Puffin

The Pelican Lane project will replace a 2” asbestos concrete water main that does not meet potable water standards of today. This water main is a dead-end line that feeds water to residential area. This pipe material is fragile and prone to leaks and failure and has been repaired multiple times over the last several years. The water main would be upgraded to a 4” HDPE resilient main with new water services lines that would be installed along with valves, air relief, and a blow off.

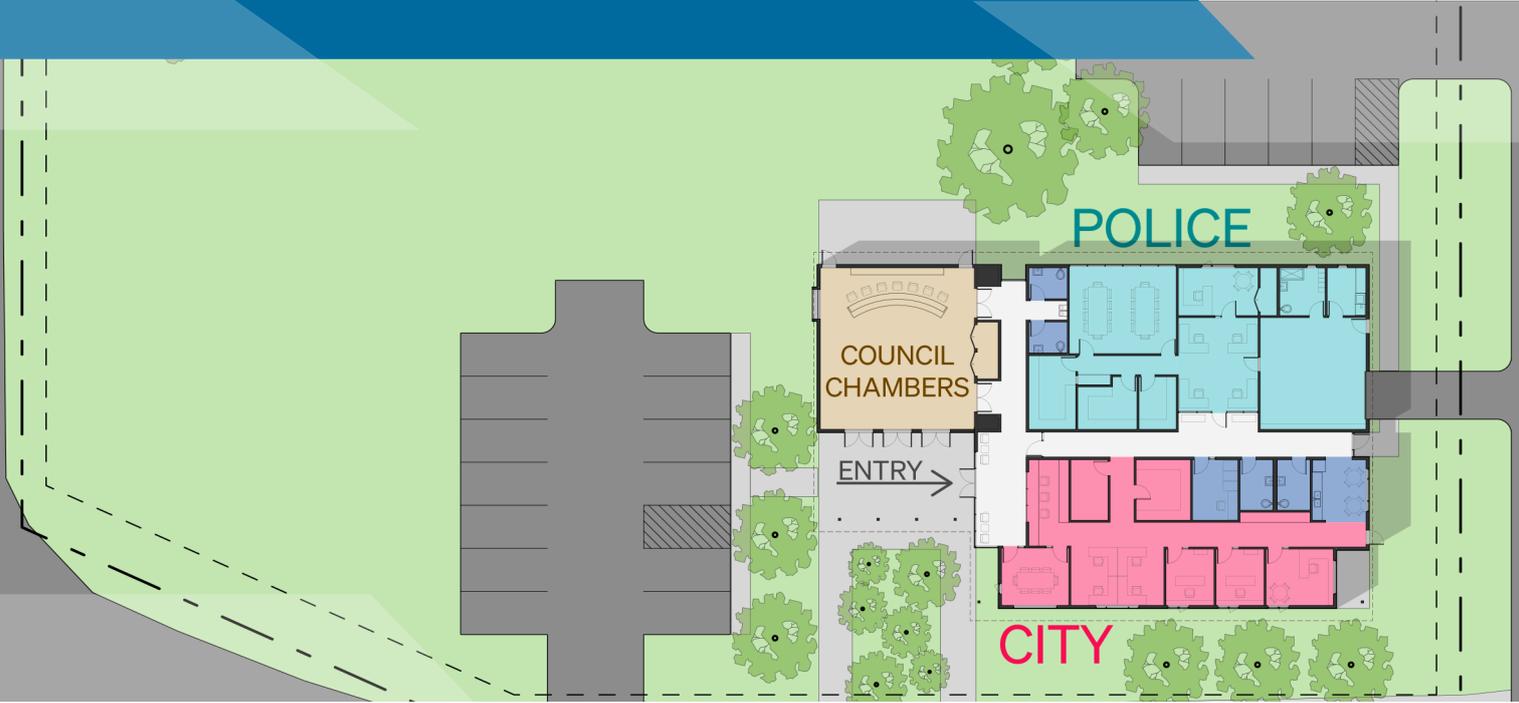
	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$49,229				\$14,465	\$34,764	
Construction	\$222,768						\$222,768
TOTAL ESTIMATED CAPITAL COST	\$271,997						
Funding Source:							
Water SDC Fund	\$163,199				\$8,679	\$20,859	\$133,661
Water Utility Fund	\$108,798				\$5,786	\$13,905	\$89,107
TOTAL FUNDING	\$271,997				\$14,465	\$34,764	\$222,768

Highway 101 Phase 3

This project would replace the last of the 6” asbestos concrete water main that loops the water system. This section of line follows the Hwy 101 curve from Laneda Ave to the water treatment plant. A main failure along the Highway 101 main will result in an interruption to service to the Legacy Medical Clinic, the emergency connection to Nehalem, distribution water to the water treatment plant, and many homes. Project scope includes replacement of the water main with an 8” high density polyethylene (HDPE) line the water treatment plant to Laneda Ave. Project would include needed Hydrants for commercial areas, additional valves, and new service lines.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Planning, Engineering, Design	\$67,367				\$19,794	\$47,573	
Construction	\$304,850						\$304,850
TOTAL ESTIMATED CAPITAL COST	\$372,217						
Funding Source:							
Water SDC Fund	\$223,331				\$11,877	\$28,544	\$182,910
Water Utility Fund	\$148,886				\$7,917	\$19,029	\$121,940
TOTAL FUNDING	\$372,217				\$19,794	\$47,573	\$304,850

Facilities



City Hall

The City Council of Manzanita has identified the development of a new city hall as a goal for the last several years including most recently by Resolution 23-01. The current plan includes abatement and demolition of the current buildings on the Underhill Plaza site and the construction of a new 6000 square foot facility that would house the city’s administration, planning and development services, visitor services and a Police Station which would also operate as an Emergency Operations Center and a Council Chambers. This project is currently unfunded but some form of debt, whether it is a General Obligation Bond or through another instrument, are being considered by the City Council. The Capital Improvement Plan includes the costs associated with continuing design, and project management services and the abatement and demolition of the existing structures on the Underhill Plaza site. If the city elects to not proceed with the City Hall project the buildings on the Underhill site must be abated and demolished due to the hazardous materials.

	Project Estimate	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Cost							
Soft Costs (including contingency)	\$2,033,412.00						
Hard Costs	\$3,761,077.00						
TOTAL ESTIMATED CAPITAL COST	\$5,794,489.00						
Funding Source:							
Unfunded	\$4,969,639.00	\$2,484,819.50	\$2,484,819.50				
City Hall Fund	\$824,850.00	\$824,850.00					
TOTAL FUNDING	\$5,794,489.00						



CITY OF MANZANITA OREGON

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