



City of Manzanita

**Fiscal Year 2025-2026**

**Proposed Budget**

Budget Committee Meeting

April 29, 2025



# Introduction



## Introduction

A brief overview of the document and its contents, providing context for readers.



## Budget Message

The City Manager's annual message outlining financial status and priorities.



## City Overview

Demographics, structure, council goals, organizational chart, and budgeting process.



## Financial Sections

Trends, and detailed budgets by fund and department with historical data and future projections, Capital Improvement Plan.



Photo Credits: Josh Gandy and John Garcia



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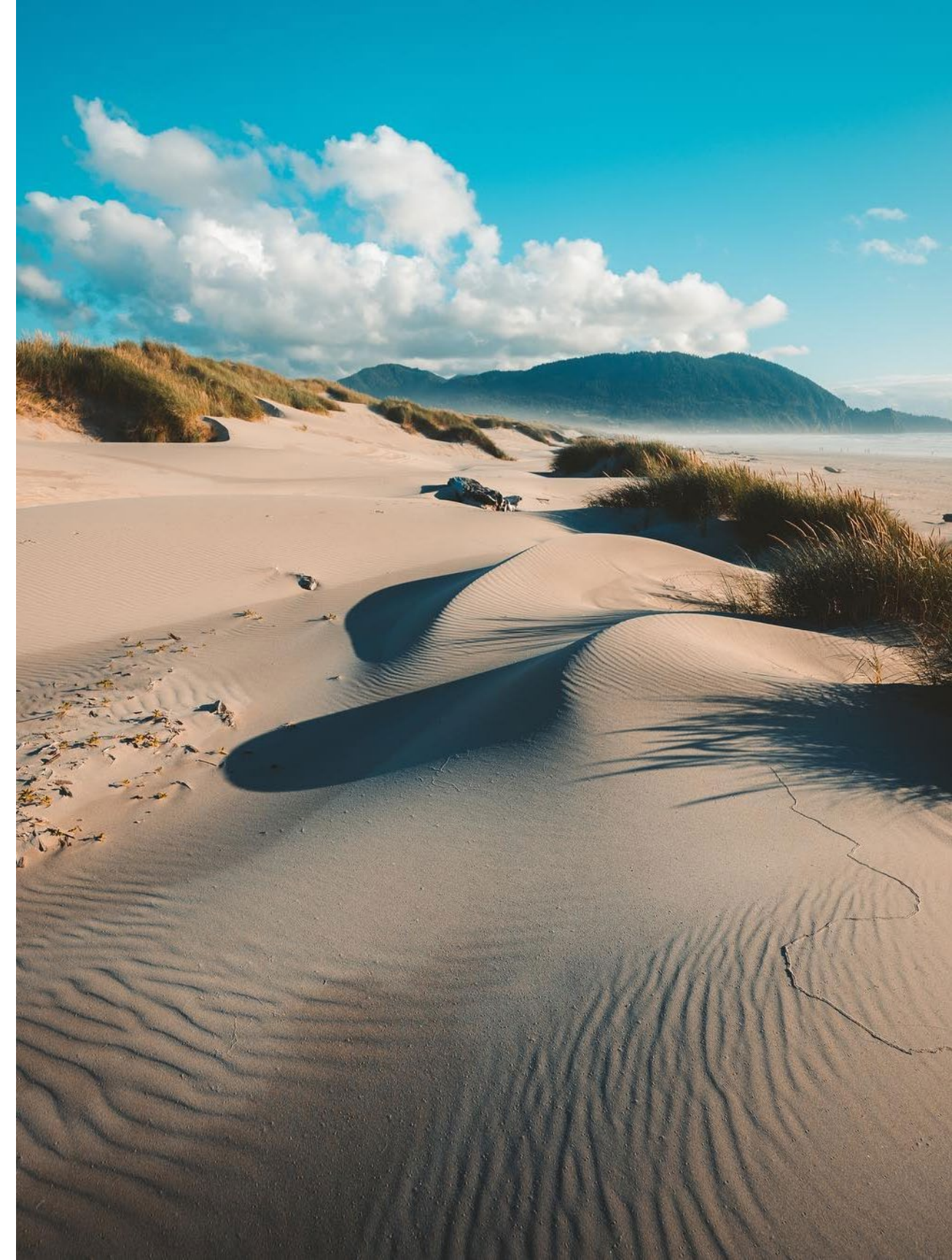
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# Budget Message

Welcome to the City of Manzanita's proposed budget for fiscal year 2025 - 2026. This budget serves as our financial roadmap, carefully crafted to align with community priorities and City Council goals. Throughout this presentation, we'll explore how this budget demonstrates our commitment to responsible stewardship, transparency, and strategic planning for our city's future.

The budget follows Oregon Budget Law and adheres to Generally Accepted Accounting Principles (GAAP), using a cash basis for accounting to ensure accuracy and compliance with state requirements. We invite you to join us as we examine the financial health, key investments, and strategic initiatives that will shape Manzanita's future.

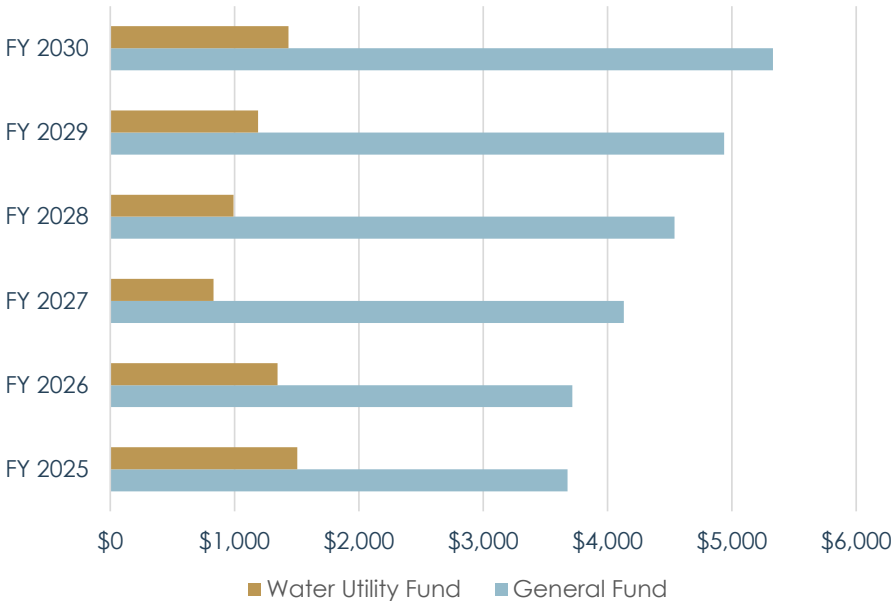


# Financial Health & Outlook

## Estimated & Projected Fund Balance Reserves

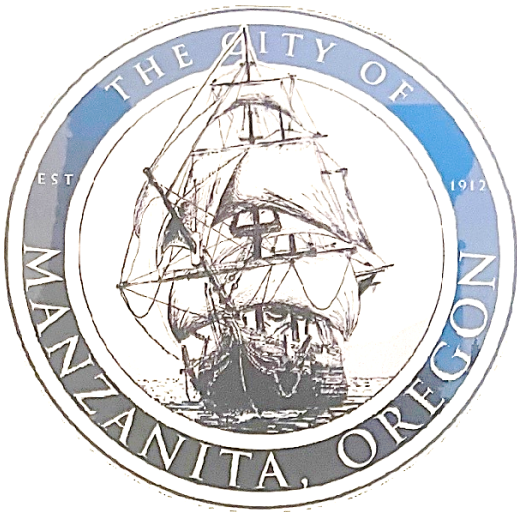
### General Fund & Water Utility Fund

(Presented in \$1,000's)



Manzanita enters fiscal year 2025-2026 from a position of financial strength. Both our governmental and utility funds maintain healthy reserves, providing stability and flexibility to address unforeseen challenges. This strong foundation allows us to pursue strategic investments while maintaining essential services.

A key improvement in our budgeting approach this year is the transition toward more accurate revenue and expenditure projections. Rather than relying on overly conservative estimates that often resulted in significant variances between budgeted and actual figures, we've worked to develop more precise forecasts based on historical trends and realistic growth projections.



CITY OF MANZANITA  
Tillamook County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024



**Accuity**  
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CERTIFIED PUBLIC ACCOUNTANTS

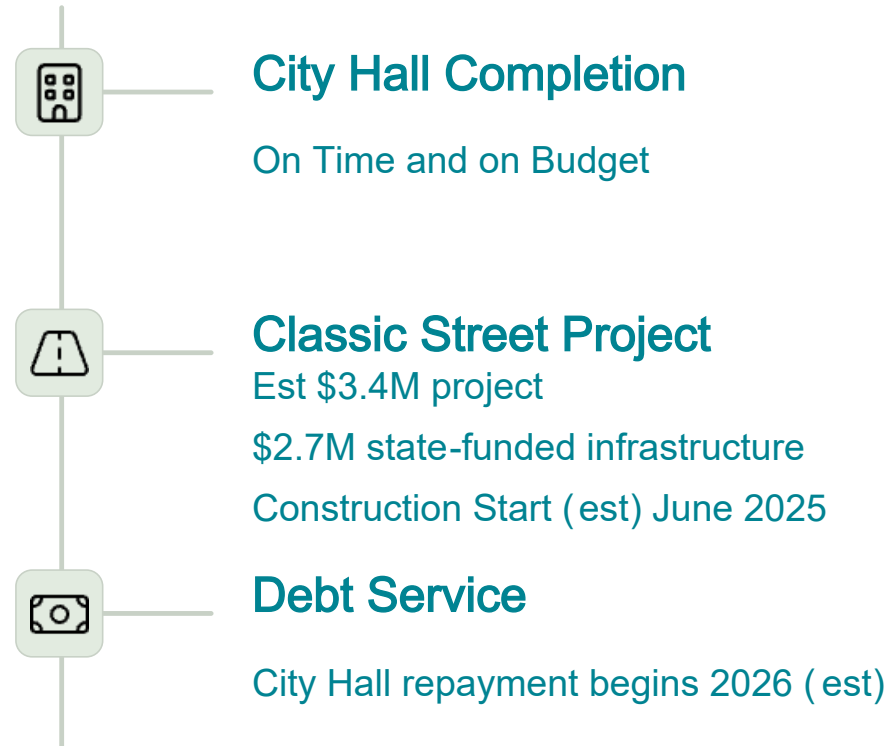
436 1<sup>st</sup> Avenue W • PO Box 1072  
Albany, Oregon 97321 • (541) 223-5555

# City Council Goals





# Major Investments & Milestones



The new City Hall represents a significant milestone for Manzanita, with completion anticipated in May 2025 and operations relocating in June - July 2025. This budget includes provisions for debt repayment related to this essential civic building, financed through the Oregon Bond Bank.

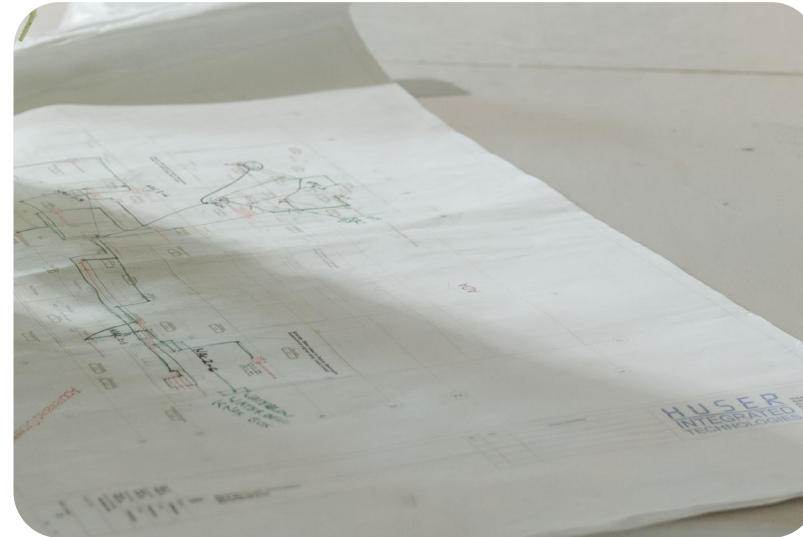
Concurrently, the Classic Street Connection Project stands as our major infrastructure initiative for the coming fiscal year. Largely funded by a \$2.7 million state grant, this project will enhance connectivity and infrastructure quality with a targeted completion date of December 2025.

# Staffing & Organizational Updates



## Police Officer

Converting Code Enforcement officer position to sworn Police Officer to enhance public safety capabilities and community service.



## Planning & Permit Technician

New position to support increased development activity and ensure timely processing of permits and planning applications.



## Project Manager

To keep pace with growing demands and to ensure a balanced workload across departments and provide executive support to the City Manager.

Our organizational structure continues to evolve to meet community needs. These staffing changes reflect our ongoing commitment to "level up" local government operations through enhanced internal controls, improved digital accessibility, policy implementation, strategic planning, infrastructure planning, codification of ordinances and evolving communication with the community.



# Transparency & Public Engagement



## Manzanita Minute

Regular updates on city activities and decisions



## Social Media

Timely information sharing on platforms residents use



## Community Surveys

Gathering input on key decisions and priorities



## Public Meetings

Open forums for discussion and participation

Transparency remains a cornerstone of our governance approach. We continue to utilize various communication tools including the Manzanita Minute newsletter, social media channels, community surveys, and public meetings to keep residents informed and engaged with city operations and decision -making processes.

With the completion of the new City Hall, we anticipate increased opportunities for in -person interactions between staff and community members. This physical space will provide an accessible location for residents to connect with their local government, ask questions, and participate in public processes.

# Envision Manzanita



## SB 406 Implementation

Updating housing ordinances to comply with Oregon's middle housing rules



## Comprehensive Plan Update

Public engagement process for full plan revision



## Annexation Planning

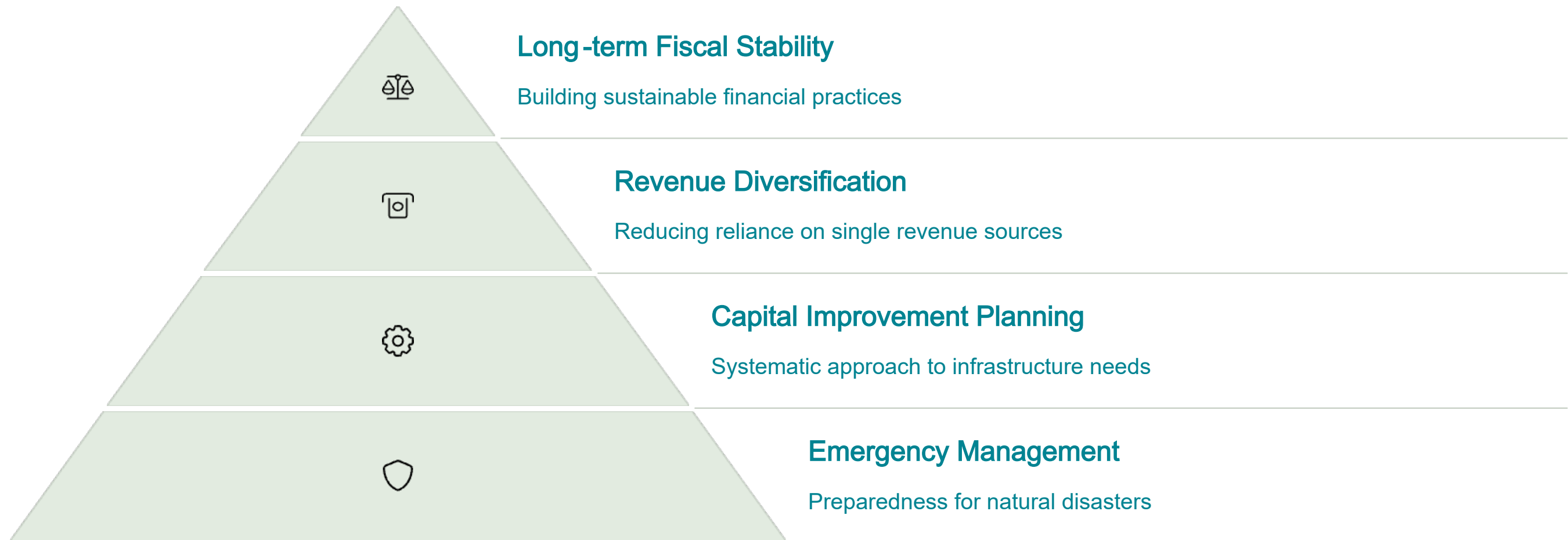
Preparing for growth in housing and infrastructure demand

Manzanita is actively implementing Senate Bill 406, Oregon's middle housing legislation, which requires updates to our existing housing ordinances. These changes will help create more diverse and accessible housing options within our community, addressing critical housing needs.

Beyond these immediate updates, we're embarking on a comprehensive review of our city's planning framework. This includes a full Comprehensive Plan update that will be developed through extensive public engagement. Additionally, the city is strategically preparing for future annexation and growth, particularly in anticipation of increased housing and infrastructure demands.



# Strategic Planning Initiatives



This budget places significant emphasis on strategic planning initiatives that will shape Manzanita's future. Key focus areas include comprehensive capital improvement planning, revenue diversification strategies, enhanced emergency management capabilities, and systematic asset planning and management.

Our approach balances addressing immediate day-to-day operational needs while simultaneously investing in long-term fiscal stability. This dual focus ensures we can meet current community expectations while building a sustainable foundation for future generations of Manzanita residents.



# Acknowledgments

Special thanks to **Nina Crist** and **Bonnie Dennis** , **Chief Erik Harth** ,  
Development Services Manager **Scott Gebhart** and Public Works Director **Rick Rempfer** for their contributions to this process. Their expertise, commitment, and creativity have been instrumental in developing a budget that addresses complex challenges while maintaining fiscal responsibility.

This budget represents countless hours of analysis, planning, and thoughtful consideration of community priorities and needs. I am grateful for everyone who participated in its development.



# City Profile

## Celebrating Since 1946

1

### Incorporation

Manzanita officially incorporated as a city on April 15, 1946, establishing local governance for this coastal community.

2

### Growth & Development

The completion of Highway 101 in 1940 made access easier, fueling growth and establishing Manzanita as a beloved coastal destination.

3

### Modern Manzanita

Today, Manzanita remains a treasured coastal getaway known for its walkable downtown, locally owned shops, and breathtaking ocean views.





# Budget Philosophy & Process

## Budget as Strategy

The city's budget serves as the primary financial management strategy, reflecting annual service and financial goals. It outlines the work plan for the coming year, detailing costs associated with delivering essential services, programs, and resources to the community.

Budget allocations are designed to provide high -quality services efficiently and cost -effectively, ensuring the city meets the evolving needs of its residents.

## Governance Structure

The City Council sets policies reflecting collective community interests and establishes annual policy goals. These guide the City Manager in prioritizing policies, projects, and programs within the budget.

As Budget Officer, the City Manager prepares the annual budget, collaborating with department heads and key staff to align financial resources with service expectations and community priorities.



# Oregon Local Budget Law

## Standard Procedures

Establish standard procedures for preparation, presentation, administration and appraisal of municipal corporation budgets.

## Program Description

Provide brief descriptions of municipal corporation programs and fiscal policies to accomplish these programs.

## Financial Estimation

Provide for estimation of revenues, expenditures and proposed taxes.

## Public Input

Provide specific methods for obtaining public views in the preparation of fiscal policy.

## Financial Control

Provide for control of revenues and expenditures for efficiency and economy in public funds.

## Transparency

Enable the public, taxpayers and investors to be apprised of financial policies and administration.



# The Budget Committee

The Budget Committee consists of the City Council and an equal number of appointed citizen members who are legal voters. In accordance with state law (ORS 294.336), all local governments in Oregon are required to establish a budget committee.

Manzanita's committee includes ten members, with each member having an equal vote in the budget review process. Throughout the year, the Budget Committee meets periodically to review financial information and discuss budgetary matters.

The formal review process begins when the City Manager presents the proposed budget to the committee, making it publicly available. At this stage, the committee evaluates the budget and may approve it as presented or make modifications before granting final approval.

The approved budget by the Budget Committee is then recommended to City Council for final consideration and adoption prior to the June 30 deadline.



# Budget Amendments

## Council Approval

The City Council may approve adjustments to the adopted budget through a supplemental budget resolution.

## Public Process

Supplemental budgets follow a similar process to the regular budget, including public hearings.

## Appropriation Transfers

Budget transfers allow the city to allocate funds appropriately when unexpected revenues are received or specific expenditures are needed.



City of Manzanita

### COUNCIL RESOLUTION No. 25-10

#### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANZANITA, OREGON, AUTHORIZING BUDGET SUPPLEMENTAL FOR FISCAL YEAR 2024-2025

WHEREAS, the City of Manzanita budget for the 2024-2025 fiscal year was adopted by City Council on May 29, 2024; and

WHEREAS, certain conditions and situations have arisen since the initial adoption of the 2024-2025 budget that necessitate changes in the financial planning [as allowed under Oregon Revised State (ORS) 294.338(3)(b)]; and

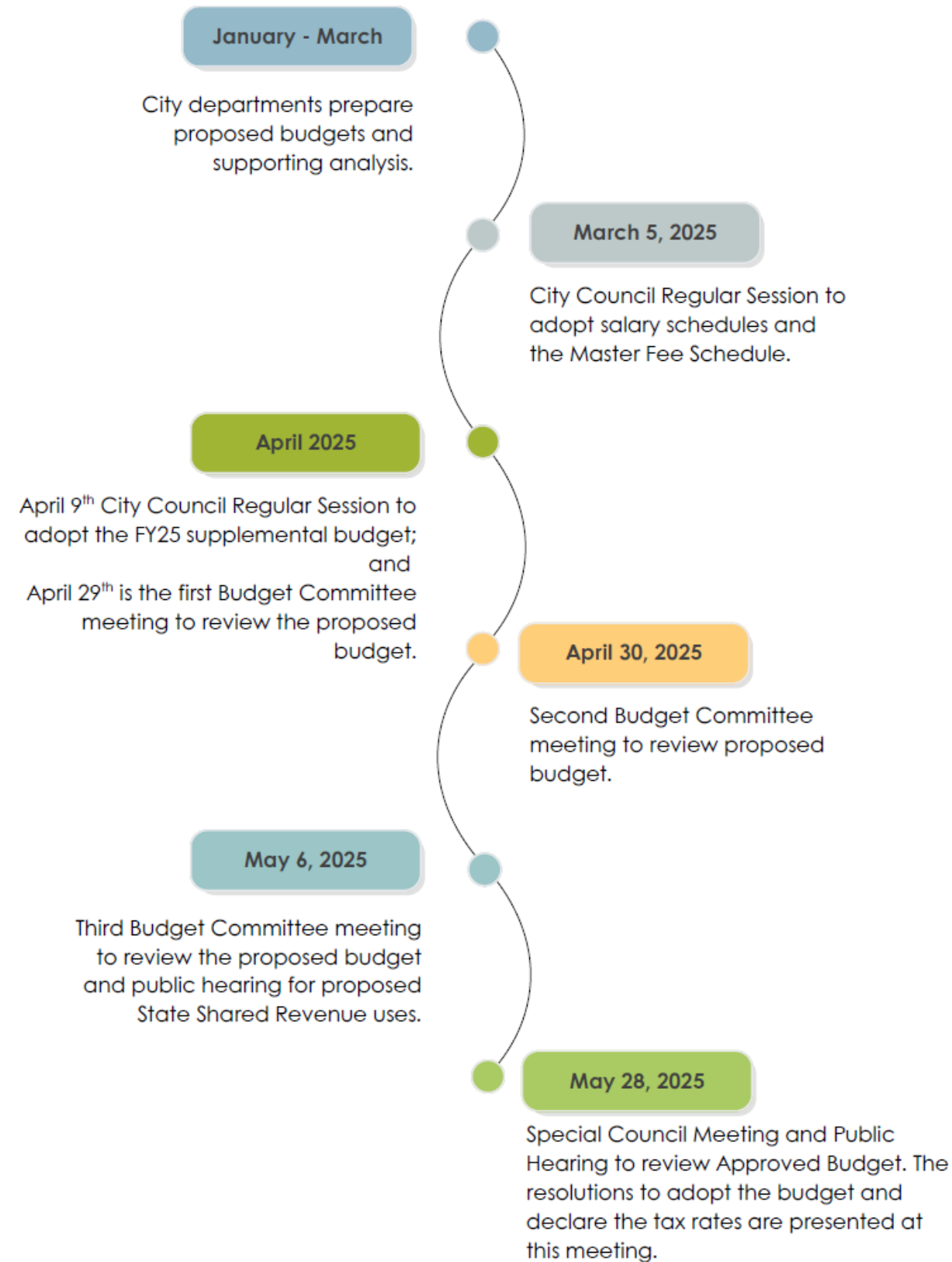
WHEREAS, the city operates on a cash basis of accounting, and the timing of invoices and debt proceeds planned during the budget process resulted in variances where payments to contractors and debt proceeds from the Special Public Works Fund (SPWF) with the Oregon Business Development Department occurred in Fiscal Year 2025 instead of Fiscal Year 2024; and

WHEREAS, the Building Fund anticipates the need to conduct plan review on two commercial buildings during the current fiscal year, requiring additional expenditures for professional services that were not previously budgeted; and

WHEREAS, in accordance with local budget law, notice was published on March 25, 2025, of the public hearing held before City Council on April 9, 2025 to approve the following changes to the FY 2024-2025 budget as follows:

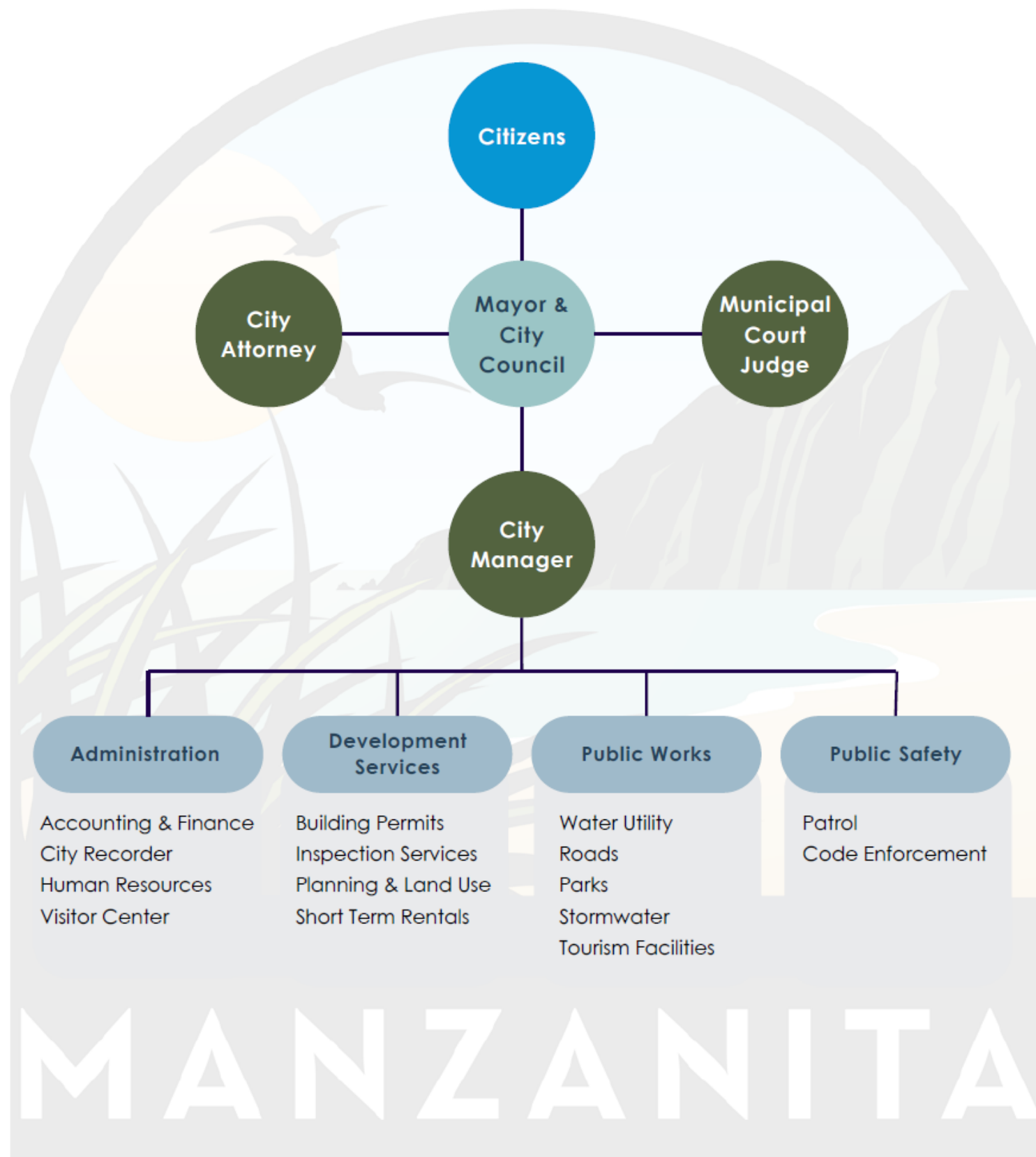
	<u>Adopted</u>	<u>Revised</u>	<u>Increase / (Decrease)</u>
<b>GENERAL FUND</b>			
Resources:			
Beginning Fund Balance (Reserves)	\$ 3,205,625	\$ 3,105,625	\$ (100,000)
Debt Proceeds	3,100,000	3,436,944	336,944
Requirements (by department):			
Non-Department:			
Department - Transfers Out	3,638,000	4,074,944	436,944
<b>CITY HALL FUND</b>			
Resources:			
Beginning Fund Balance (Reserves)	\$ 157,583	\$ 262,731	105,148
Interest	2,000	1,908	(92)
Transfer from General Fund	3,638,000	4,074,944	436,944
Requirements:			
City Hall	3,668,000	4,290,000	622,000

## City Budget Calendar





## City Organizational Chart



# Citywide Financial Architecture

The architectural components of the city's financial framework are built upon a structured system of fund accounting, governmental accounting standards, and budgetary principles that guide fiscal decision -making.



## Fund Accounting

Organizes city functions into distinct, self -balancing funds to ensure transparency and accountability.



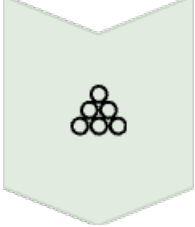
## Accounting Standards

Follows established guidelines to ensure accurate financial reporting and fiscal responsibility.



## Budgetary Principles

Guides fiscal decisions to maintain transparency, sustainability, and regulatory compliance.



## Financial Management

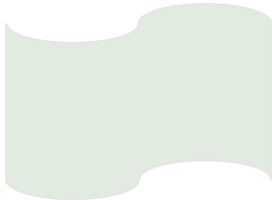
Balances immediate operational needs with long -term capital investments.

# Governmental Fund Types



## General Fund

Primary operating fund for general services



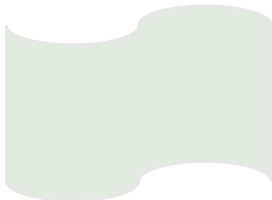
## Special Revenue Funds

Restricted revenue for specific purposes



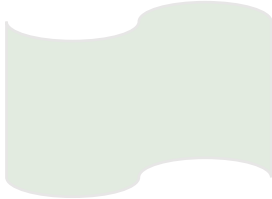
## Capital Projects Funds

Major infrastructure financing



## Debt Service Funds

Manage repayment of long -term debt



## Permanent Funds

Resources where only earnings may be spent

# Proprietary & Fiduciary Funds



## Proprietary Funds

Operate like private -sector businesses, tracking revenues and expenses to determine net income.

- Follow FASB pronouncements issued before November 30, 1989
- Adhere to all subsequent GASB statements
- Include Enterprise Funds for fee-based services



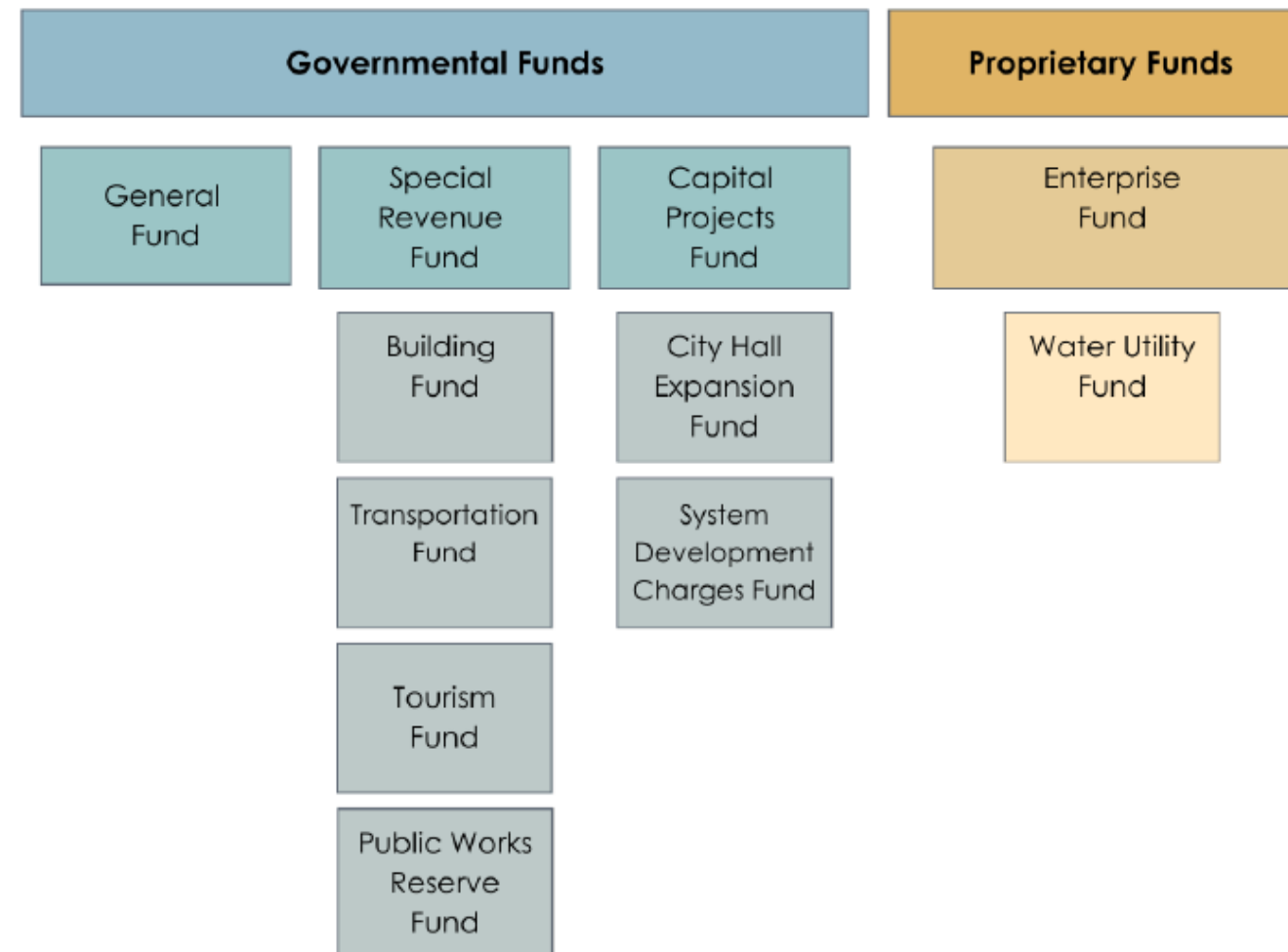
## Fiduciary Funds

Manage assets held in trustee or agency capacity for external parties.

- Not available for city operations
- No budgetary information included
- Maintain strict separation from operational funds



# City's Fund Structure





# Accounting Standards and Practice

## Budgetary Basis of Accounting

The City follows the cash basis of accounting for budgeting and financial reporting, meaning that revenues are recognized when received, and expenditures are recorded when paid.

## Budgetary Reserves

The City maintains targeted reserve balances to safeguard operations and prevent service disruptions during periods of economic uncertainty or unexpected expenses.

## Financial Reporting

A comprehensive financial audit is performed annually by an independent public accounting firm to express an opinion on the City's financial statements.

## Fund Balance Policies

Guidelines for maintaining sufficient reserves within each fund to provide financial stability and mitigate risks associated with revenue fluctuations.

# Budgetary Reserves



## Credit Rating Impact

Higher reserves can lead to better bond ratings and lower interest.



## Contingency Reserves

For unforeseen expenses requiring Council approval to use.



## Unappropriated Balance

Intended for future years unless significant issues arise.





# Reserve Policies



## Financial Stability

Maintain a positive fund balance at all times and mitigate short -term revenue volatility.



## Economic Resilience

Address short-term economic downturns lasting two years or less and absorb unanticipated operating needs.



## Emergency Preparedness

Sustain city services in the event of an emergency and absorb unexpected claims or litigation settlements.



## Infrastructure Support

Fund major facility and equipment repair and replacement needs and meet requirements for debt reserves.



# Financial Reporting Standards

As issued in the financial audits the city complies with the following accounting and reporting standards:



## **Generally Accepted Accounting Principles (GAAP)**

Developed by Governmental Accounting Standards Board



## **Government Accounting, Auditing and Financial Reporting Standards**

Standards [prescribed by the Government Financial Officers Association (GFOA)]



## **Government Accounting Standards**

Issued by the Comptroller General of the United States



## **Oregon Revised Statutes (ORS)**

Relating to Municipal Finance



## **US Office of Management and Budget**

Circular A-133

Annual comprehensive financial audits are performed by independent accounting firms to express opinions on the City's financial statements and assess accounting principles and internal controls.



# Financial Section

## Major Revenue Sources

### Property Taxes

Stable funding source with rate of \$0.4233 per \$1,000 assessed value

### Intergovernmental

Includes police agreements, grants, and state shared revenues

### Fees & Charges

Licenses, permits, and service charges that recover program costs

### Transient Lodging Tax

Primary revenue source from taxes on short-term accommodations



# Transient Lodging Tax

The Transient Lodging Tax (TLT) is a significant revenue source, derived from taxes imposed on short-term accommodations such as hotels, vacation rentals, and other lodging establishments.

The City of Manzanita imposes a 9% TLT, which is collected and processed locally before remitting the required portion to the state.

## Application of the 9% TLT collected:

- 7% remains entirely with the City of Manzanita for general fund purposes. It is the dominant source of funding for city services.
- The remaining 2% is distributed as follows:
  - 30% is retained in the General Fund.
  - 70% is allocated to the Tourism Promotion Fund, which is legally restricted for tourism-related purposes.



# Property Taxes

## Key Facts

Property tax revenue is one of the most stable and significant funding sources for the General Fund. It is based on assessed property values within city limits and is subject to limitations set by state law. (Measures 5 and 50)

These funds primarily support core services such as public safety, parks, court, planning, and general government operations.

- The city's permanent property tax rate is \$0.4233 per \$1,000 of assessed value.
- This rate cannot be changed as a result of Ballot Measure 5 (1991) Ballot Measure 50 (1997)
- The city's tax rate is considered one of the lowest in the state.
- On average, the city receives about \$127 per household.
- However, the median home value is approximately \$800,000 within the city limits.

# Fee and Cost Policies



## Master Fee Schedule

Annual Council-approved rates for city services

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## Indirect Cost Methodology

Council resolution for administrative overhead allocation

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## Capitalization Policy

\$5,000 threshold with useful life exceeding one year



# Expenditure Categories



## Personnel Services

Salaries and benefits for city employees



## Materials & Services

Operational costs, maintenance, and contracted services



## Capital Outlay

Infrastructure projects and equipment purchases



## Debt Service

Principal and interest payments on obligations







# Key Budget Drivers

## Debt Structure Overview

### Current Obligations

Our city maintains several outstanding debt instruments. Each serves a specific municipal purpose.

These existing obligations are carefully managed to ensure fiscal responsibility.

### City Hall Project Financing

We're utilizing a Special Public Works Fund construction loan of \$4.1 million. The interest rate is currently 2.10%.

Funds are drawn on a reimbursement basis. The loan matures on May 14, 2027.

The loan will eventually transfer to the Oregon Bond Bank. This will establish fixed repayment terms.

OUTSTANDING DEBT

Purpose	Fund Source	Due	Interest Rate	Outstanding Amount	Annual Debt Service
Water Revenue Bond	Water Utility Fund	2045	3% - 4%	\$ 3,423,489	\$ 170,556
Underhill Plaza	General Fund	2027	2.75%	338,332	155,332
Visitors Center	Tourism Fund	2027	3.35%	127,169	50,868
				<b>\$ 3,938,989</b>	<b>\$ 376,756</b>

# Indirect Costs

## Understanding Direct and Indirect Costs

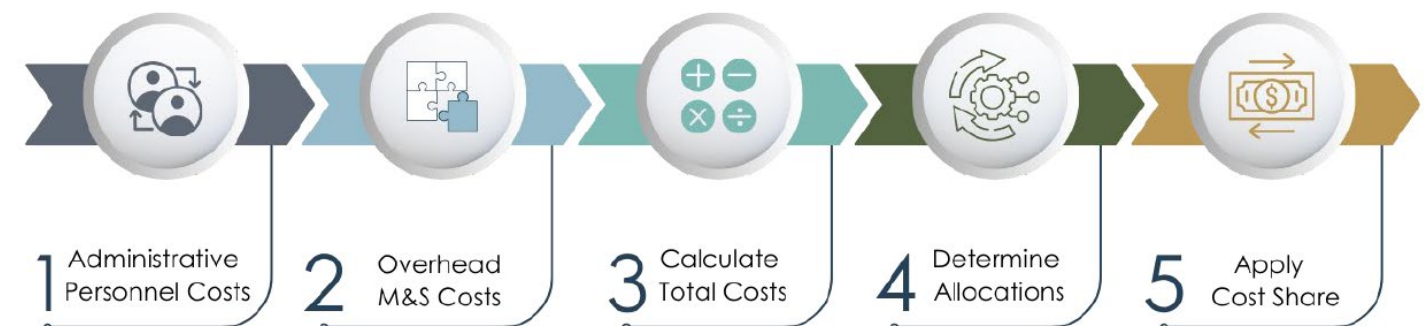
Direct costs are those that can be clearly attributed to a specific service, project, or function. These costs are easily identifiable as belonging to a particular activity or department.

Indirect costs are the necessary expenses of running a city that cannot be directly linked to a specific department, program, or service. These costs support the overall operations but are not easily assigned to just one function.

## City's Approach

The City utilizes an Indirect Cost Allocation approach to ensure that citywide support services, housed within the General Fund, are appropriately distributed across all departments.

This process allows direct service departments to fairly account for the administrative and operational support they receive, following a structured five -step process to determine and allocate administrative indirect costs.



# City Budgets



# Citywide Budget Summary



## TOTAL OF ALL FUNDS COMBINED

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
<b>BEGINNING FUND BALANCE</b>	\$ 8,465,870	\$ 8,673,510	\$ 8,304,190	\$ 9,718,724	\$ 10,295,550
Room Tax Collections	1,879,874	1,841,968	1,690,000	1,860,400	1,835,000
Fees & Charges	1,753,097	2,419,414	2,460,861	2,624,436	2,469,100
Property Taxes	252,722	269,775	265,260	276,500	273,500
Intergovernmental	280,596	215,442	3,007,389	611,416	2,574,980
Fines & Foreitures	33,768	90,808	60,000	30,000	45,000
Interest	268,460	464,983	55,158	318,454	201,200
Miscellaneous	18,661	31,809	192,118	185,420	7,500
Proceeds from Debt Issuance	-	663,056	3,436,944	3,436,944	-
Proceeds from Sale of Assets	9,112	638,351	17,000	-	-
Transfers from Other Funds	589,972	1,906,923	4,422,476	4,422,476	306,785
<b>TOTAL RESOURCES</b>	<b>13,552,132</b>	<b>17,216,039</b>	<b>23,911,396</b>	<b>23,484,770</b>	<b>18,008,615</b>
<b>REQUIREMENTS</b>					
Personnel Services	1,868,896	2,039,081	2,451,852	2,191,617	2,773,210
Materials & Services	1,079,530	1,404,130	1,832,061	1,365,334	1,600,380
Debt Service	376,556	379,256	386,240	386,240	681,240
Capital Outlay	963,668	1,767,925	7,883,840	4,723,552	3,628,465
Transfers to Other Funds	589,972	1,906,923	4,422,476	4,422,477	306,785
<b>TOTAL EXPENDITURES BEFORE RESERVES</b>	<b>4,878,622</b>	<b>7,497,315</b>	<b>16,976,469</b>	<b>13,089,220</b>	<b>8,990,080</b>
<b>RESERVES</b>					
Contingency	-	-	315,000	100,000	270,000
Unappropriated Ending Fund Balance	8,673,510	9,718,724	6,619,927	10,295,550	8,748,535
<b>TOTAL RESERVES-ENDING FUND BALANCE</b>	<b>8,673,510</b>	<b>9,718,724</b>	<b>6,934,927</b>	<b>10,395,550</b>	<b>9,018,535</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 13,552,132</b>	<b>\$ 17,216,039</b>	<b>\$ 23,911,396</b>	<b>\$ 23,484,770</b>	<b>\$ 18,008,615</b>

The citywide budget for Fiscal Year 2025-2026 totals \$18,008,615 in both resources and requirements (including reserves).

SUMMARY OF EXPENDITURES BY DEPARTMENT	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET FOR 2025/2026
	Fiscal Year	Fiscal Year	Final Adopted	Estimated	Proposed
	2022/2023	2023/2024	Budget	Actuals	by Budget Officer
<b>OPERATING EXPENDITURES BY DEPARTMENT</b>					
Administration	\$ 861,986	\$ 1,089,846	\$ 1,276,900	\$ 1,140,367	\$ 1,330,100
Municipal Court	30,507	41,573	49,695	43,158	51,400
Parks	25,445	19,846	29,651	25,874	29,500
Public Safety	668,111	735,536	846,650	763,837	915,250
Non-departmental	39,776	8,084	98,670	15,000	101,730
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 1,625,825</b>	<b>\$ 1,894,885</b>	<b>\$ 2,301,566</b>	<b>\$ 1,988,236</b>	<b>\$ 2,427,980</b>
Policy Reserve %	15%	18%	20%	20%	23%
Policy Reserve Required	\$ 243,000	\$ 341,000	\$ 460,000	\$ 397,000	\$ 558,000
<b>NONOPERATING EXPENDITURES BY DEPARTMENT</b>					
Administration	5,726	5,803	9,000	9,000	9,000
Public Safety	-	117,823	-	-	-
Non-departmental	379,815	1,662,891	4,480,284	4,330,285	550,340
<b>TOTAL NONOPERATING EXPENDITURES</b>	<b>385,541</b>	<b>1,786,517</b>	<b>4,489,284</b>	<b>4,339,285</b>	<b>559,340</b>
<b>TOTAL BY DEPARTMENT</b>					
Administration	867,712	1,095,649	1,285,900	1,149,367	1,339,100
Municipal Court	30,507	41,573	49,695	43,158	51,400
Parks	25,445	19,846	29,651	25,874	29,500
Public Safety	668,111	853,359	846,650	763,837	915,250
Non-departmental	419,591	1,670,975	4,578,954	4,345,285	652,070
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,011,366</b>	<b>\$ 3,681,402</b>	<b>\$ 6,790,850</b>	<b>\$ 6,327,521</b>	<b>\$ 2,987,320</b>

SUMMARY OF FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET FOR 2025/2026
	Fiscal Year	Fiscal Year	Final Adopted	Estimated	Proposed
	2022/2023	2023/2024	Budget	Actuals	by Budget Officer
Administration	4.30	4.60	4.00	4.00	5.50
Municipal Court	0.40	0.40	0.40	0.40	0.40
Parks	0.16	0.12	0.09	0.09	0.10
Public Safety	4.00	4.00	4.00	4.00	4.25
<b>TOTAL GENERAL FUND FULL-TIME EQUIVALENT</b>	<b>8.86</b>	<b>9.12</b>	<b>8.49</b>	<b>8.49</b>	<b>10.25</b>

# GENERAL FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
RESOURCES					
BEGINNING FUND BALANCE	\$ 2,549,138	\$ 3,242,146	\$ 3,283,165	\$ 3,789,740	\$ 3,854,735
Transient Lodging Taxes	1,589,891	1,556,091	1,450,000	1,575,400	1,550,000
Property Taxes	252,722	269,775	265,260	276,500	273,500
Fees & Charges	134,354	82,215	70,000	88,500	77,500
Franchise & Utility Agreements	72,354	63,501	65,000	63,000	61,000
Business & Short-Term Rental Licenses	74,661	252,753	248,000	285,000	275,000
Intergovernmental:					
Police Agreements	73,980	61,200	74,400	75,000	75,000
Grants	73,409	6,020	50,000	30,000	63,000
State Revenue Sharing	33,325	25,059	33,000	20,000	25,000
Cigarette & Liquor Taxes	12,579	12,077	13,789	11,400	10,400
Neah-Kah-Nie Excise Tax	1,216	1,335	1,200	1,400	1,200
Fines & Foreitures	33,768	90,808	60,000	30,000	45,000
Interest	149,076	254,720	35,000	100,000	100,000
Miscellaneous	4,778	5,868	4,998	-	5,000
Miscellaneous Proceeds From Closed Funds	-	-	177,540	177,540	-
Proceeds from Debt Issuance	-	663,056	3,436,944	3,436,944	-
Proceeds from Sale of Assets	-	638,351	-	-	-
Transfers from Other Funds	198,261	246,167	221,832	221,832	286,785
TOTAL RESOURCES	\$ 5,253,512	\$ 7,471,142	\$ 9,490,128	\$ 10,182,256	\$ 6,703,120
EXPENDITURE REQUIREMENTS BY CATEGORY					
Personnel Services	\$ 1,166,928	\$ 1,270,112	\$ 1,436,896	\$ 1,355,486	\$ 1,706,000
Materials & Services	458,897	624,773	864,670	632,750	721,980
Debt Service	-	-	155,340	155,340	450,340
Capital Outlay	5,726	123,626	9,000	9,000	9,000
Contingency	-	-	150,000	-	100,000
Transfers to Other Funds	379,815	1,662,891	4,174,944	4,174,945	-
TOTAL EXPENDITURES BY CATEGORY	2,011,366	3,681,402	6,790,850	6,327,521	2,987,320
Unappropriated Ending Fund Balance	3,242,146	3,789,740	2,699,278	3,854,735	3,715,800
TOTAL REQUIREMENTS	\$ 5,253,512	\$ 7,471,142	\$ 9,490,128	\$ 10,182,256	\$ 6,703,120

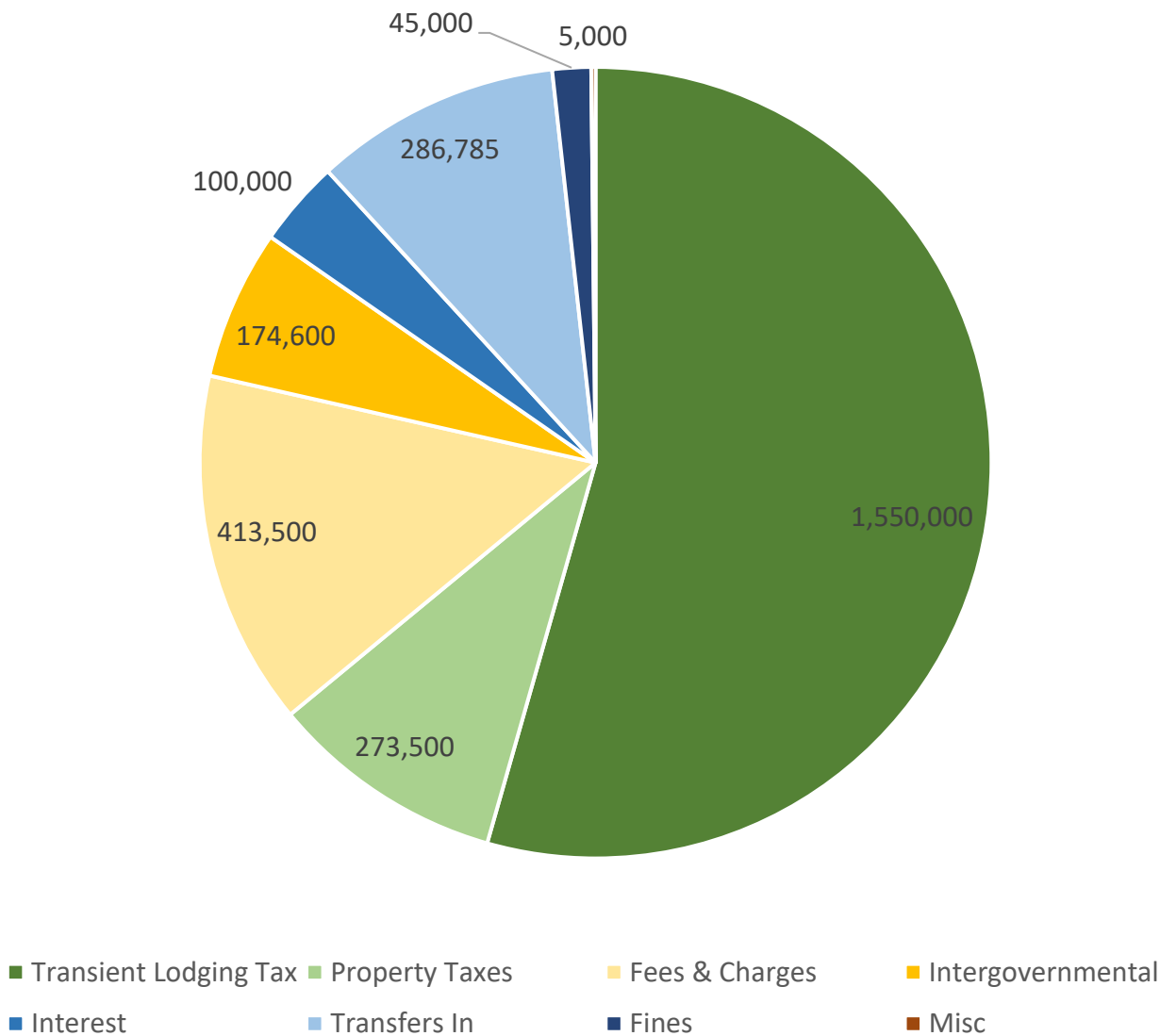
# General Fund Overview

## Core Services

Departments within the General Fund include Administration, Municipal Court, Parks, Public Safety, and Non-Department

## General Fund Revenue Sources

- **Beginning Fund Balance: \$3,854,735**
- Transient Lodging Tax: \$1,550,000
- Property Taxes: \$273,500
- Fees & Charges: \$413,500
- Intergovernmental: \$174,600
- Fines: \$45,000
- Interest: \$100,000
- Misc: \$5,000
- Transfers In: \$286,785



\*differs from the FY 23-24 Audit because several funds were closed in FY 2025 and rolled in to the Ending Fund Balance



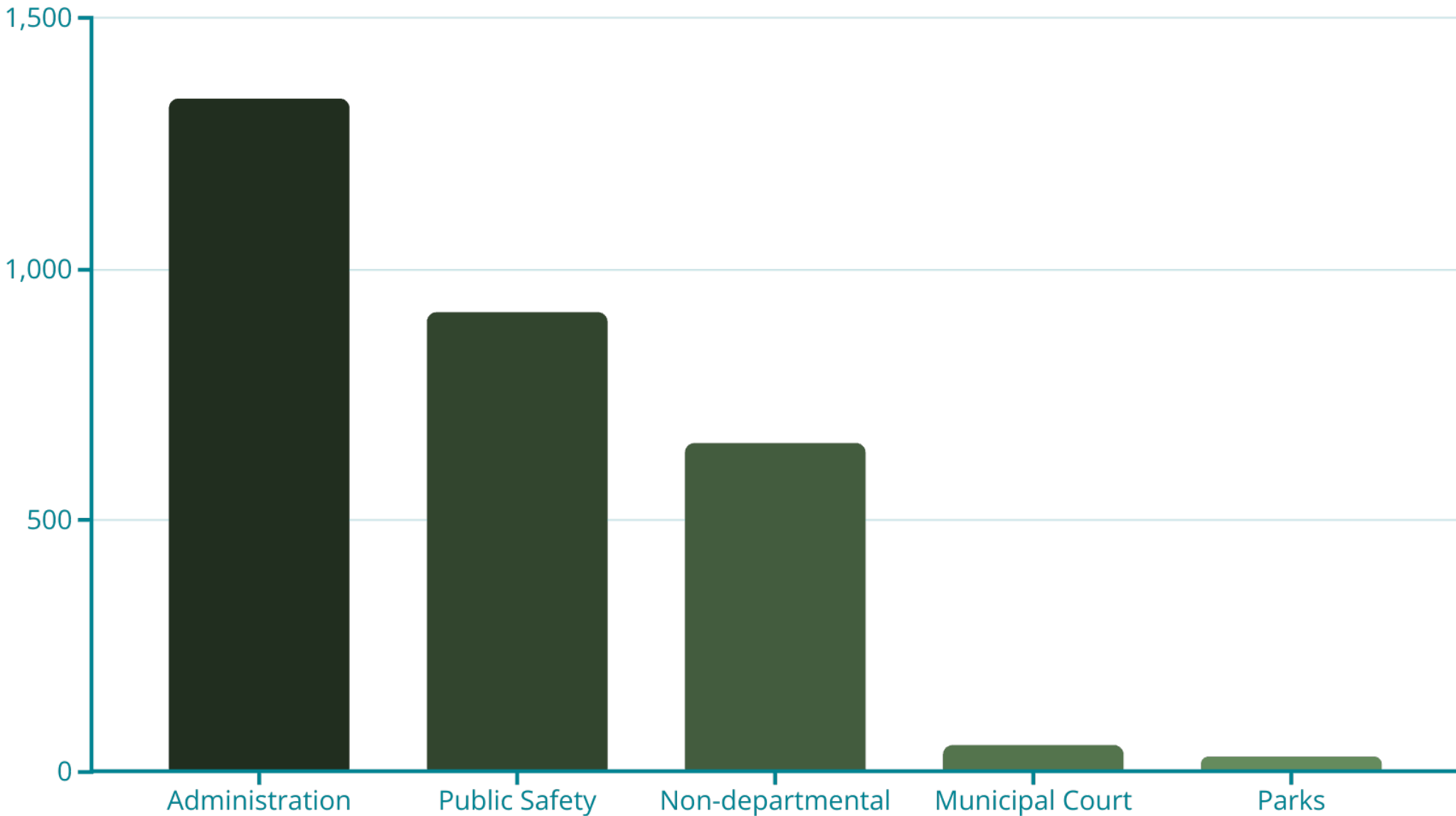


## **POLICY REQUIREMENTS**

	FY 2022/2023	FY 2023/2024	Final Adopted	Estimated	Proposed
<b>Reserves:</b>					
Debt Service	-	-	155,340	155,340	450,340
Public Safety Equipment (Dept. 125)	131,468	41,480	105,480	73,480	105,480
CDBG Housing Grant (Dept. 190)	110,660	115,730	30,000	115,730	30,000
<b>Total Reserves</b>	<b>242,128</b>	<b>157,210</b>	<b>290,820</b>	<b>344,550</b>	<b>585,820</b>
<b>Policy Requirements:</b>					
Contingency & Ending Fund Balance	3,242,146	3,789,740	2,849,278	3,854,735	3,715,800
Less designated reserves	(242,128)	(157,210)	(290,820)	(344,550)	(585,820)
Less policy requirements*	(243,000)	(341,000)	(460,000)	(397,000)	(558,000)
<b>AMOUNT OVER (UNDER) POLICY REQUIREMENT</b>	<b>2,757,018</b>	<b>3,291,530</b>	<b>2,098,458</b>	<b>3,113,185</b>	<b>\$ 2,571,980</b>

\*See Summary of Expenditures By Department for operating expenditures and required policy reserve details.

# General Fund Expenditures



- Administration**  
Oversight of all departments and implementation of council policy goals and objectives.
- Public Safety**  
Police services including patrol, code enforcement, and agreements with neighboring communities.
- Non-departmental**  
Expenses not specific to any department, including debt service and emergency preparedness.
- Municipal Court**  
Administration of monthly court and processing of citations
- Parks**  
Maintenance of City Parks

## GENERAL FUND ADMINISTRATION DEPARTMENT (#110)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	\$ 327,192	\$ 358,639	\$ 378,000	392,039	495,000
Employee Benefits	192,489	195,531	256,000	237,678	337,500
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 519,681</b>	<b>\$ 554,170</b>	<b>\$ 634,000</b>	<b>\$ 629,717</b>	<b>\$ 832,500</b>
<i># of Full Time Equivalent Positions</i>	<i>4.30</i>	<i>4.60</i>	<i>4.00</i>	<i>4.00</i>	<i>5.50</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Professional Services	268,193	436,780	525,000	400,000	350,000
Planning & Zoning Services	12,934	22,662	25,000	25,000	25,000
Building:					
Operations	10,485	9,058	14,900	16,900	20,600
Maintenance & Supplies	1,579	36	4,000	4,000	4,000
Advertising	923	731	2,000	750	1,000
Dues & Subscriptions	28,134	32,632	42,000	35,000	60,000
General Office Supplies	8,049	11,818	9,000	10,500	13,000
Travel & Training	6,597	7,831	10,000	9,000	12,000
Liability Insurance	4,828	5,844	8,000	7,500	9,000
Miscellaneous	583	8,284	3,000	2,000	3,000
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>342,305</b>	<b>535,676</b>	<b>642,900</b>	<b>510,650</b>	<b>497,600</b>
<b>CAPITAL OUTLAY</b>					
Office Equipment	5,726	5,803	9,000	9,000	9,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>5,726</b>	<b>5,803</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
<b>ADMINISTRATION DEPARTMENT</b>	<b>\$ 867,712</b>	<b>\$ 1,095,649</b>	<b>\$ 1,285,900</b>	<b>\$ 1,149,367</b>	<b>\$ 1,339,100</b>



# Administration Department

## Core Services

The Administration Department is responsible for providing oversight of all departments and ensuring the effective implementation of council policy goals and objectives.

The department is home to 5.5 full -time equivalent employees, including the City Manager (1), Accounting Manager (1), Project Manager (1), STR Program Manager (1), a portion of the Assistant City Recorder (.6) Planning and Permit Tech (.5) and the Development Services manager Position (.4).

## Key Expenditures Explained

**Personnel** – Includes net increase of 1.5 FTE – Moved Code Enforcement (.2) into Public Safety, Added Project Manager (1), .5 Planning and Permit Tech and Short Term Rental Program Manager (moved from .8 to 1 this year)

**Professional Services** – Split between Operational and Council Goals.

Operational - IT, Finance Advisor, City Attorney, Planner and Auditor and this year there are funds for salary survey.

Council related - Comprehensive Plan & Municipal Code

**Building Operations** – Absorbed costs normally allocated to PD department and includes costs associated with maintaining new and existing buildings.

**Travel and Training** – 100 Year Anniversary of LOC Conference in Portland





# Administration Department

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Council related - Comprehensive Plan & Municipal Code

**Building Operations** – Absorbed costs normally allocated to PD department and includes costs associated with maintaining new and existing buildings.

**Travel and Training** – 100 Year Anniversary of LOC Conference in Portland

**Dues and Subscriptions** – Moved annual cost for financial software from Professional Services to Dues and Subscriptions

## GENERAL FUND MUNICIPAL COURT DEPARTMENT (#130)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Total	Proposed by Budget Officer
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	\$ 18,294	\$ 23,180	\$ 26,000	25,122	28,000
Employee Benefits	5,482	12,993	15,095	12,436	16,500
<b>TOTAL PERSONNEL SERVICES</b>	<b>23,776</b>	<b>36,173</b>	<b>41,095</b>	<b>37,558</b>	<b>44,500</b>
<i># of Full Time Equivalent Positions</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Municipal Judge	4,400	4,400	5,200	4,400	5,200
Other	-	-	500	-	500
Dues & Subscriptions	2,331	987	2,500	1,000	1,000
General Office Supplies	-	13	400	200	200
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>6,731</b>	<b>5,400</b>	<b>8,600</b>	<b>5,600</b>	<b>6,900</b>
<b>MUNICIPAL COURT DEPARTMENT</b>	<b>\$ 30,507</b>	<b>\$ 41,573</b>	<b>\$ 49,695</b>	<b>\$ 43,158</b>	<b>\$ 51,400</b>



# Municipal Court Department

## Core Services

The Municipal Court Department manages all court related activities including processing citations, answering questions and running a monthly court while maintaining documents and other related responsibilities.

## Key Expenditures Explained

All expenditures are consistent with prior year.



## GENERAL FUND PARKS DEPARTMENT (#135)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Total	Proposed by Budget Officer
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	\$ 8,253	\$ 6,384	\$ 6,250	\$ 5,235	\$ 6,700
Employee Benefits	8,563	4,079	5,901	3,639	6,300
<b>TOTAL PERSONNEL SERVICES</b>	<b>16,816</b>	<b>10,463</b>	<b>12,151</b>	<b>8,874</b>	<b>13,000</b>
<i># of Full Time Equivalent Positions</i>	<i>0.16</i>	<i>0.12</i>	<i>0.09</i>	<i>0.09</i>	<i>0.10</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Grounds Maintenance	922	3,207	4,000	4,000	5,000
Janitorial Supplies	409	137	1,000	1,000	1,000
Building:					
Operations	3,385	3,572	4,000	4,000	4,000
Maintenance & Supplies	1,149	274	3,000	3,000	1,500
Vehicle Maintenance	1,572	637	3,000	2,500	2,000
Insurance	1,192	1,556	2,500	2,500	3,000
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>8,629</b>	<b>9,383</b>	<b>17,500</b>	<b>17,000</b>	<b>16,500</b>
<b>PARKS DEPARTMENT</b>	<b>\$ 25,445</b>	<b>\$ 19,846</b>	<b>\$ 29,651</b>	<b>\$ 25,874</b>	<b>\$ 29,500</b>



# Parks Department

## Core Services

Maintain and Manage City Parks

## Key Expenditures Explained

All expenditures are consistent with prior year.

# GENERAL FUND

## PUBLIC SAFETY DEPARTMENT (#125)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	\$ 363,450	\$ 398,044	\$ 429,000	414,966	464,000
Employee Benefits	243,205	271,262	320,650	264,371	352,000
<b>TOTAL PERSONNEL SERVICES</b>	<b>606,655</b>	<b>669,306</b>	<b>749,650</b>	<b>679,337</b>	<b>816,000</b>
<i># of Full Time Equivalent Positions</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.25</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Professional Services	499	973	3,200	1,000	2,000
Building:					
Operations	7,982	8,188	9,400	3,500	4,500
Maintenance & Supplies	1,217	272	-	-	-
Safety Equipment & Supplies	5,024	2,485	6,400	6,000	7,500
Uniform & Clothing Allowance	2,465	2,984	4,000	4,000	5,750
Vehicle Maintenance	14,363	14,638	27,500	22,500	27,500
Dues & Subscriptions	10,421	10,690	16,000	16,000	17,500
General Office Supplies	1,397	1,464	4,000	2,000	2,000
Travel & Training	6,442	5,168	10,000	10,000	10,000
Liability Insurance	11,406	13,348	16,000	19,000	22,000
Miscellaneous	240	6,020	500	500	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>61,456</b>	<b>66,230</b>	<b>97,000</b>	<b>84,500</b>	<b>99,250</b>
<b>CAPITAL OUTLAY</b>					
Vehicles	-	117,823	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>-</b>	<b>117,823</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PUBLIC SAFETY DEPARTMENT</b>	<b>\$ 668,111</b>	<b>\$ 853,359</b>	<b>\$ 846,650</b>	<b>\$ 763,837</b>	<b>\$ 915,250</b>
<b>Public Safety Reserve</b>					
Beginning Reserve Balance	\$ 107,148	\$ 131,468	\$ 73,480	\$ 41,480	\$ 73,480
Additions	28,618	27,835	32,000	32,000	32,000
Reductions (Expenses)	(4,298)	(117,823)	-	-	-
<b>Ending Reserve Balance</b>	<b>\$ 131,468</b>	<b>\$ 41,480</b>	<b>\$ 105,480</b>	<b>\$ 73,480</b>	<b>\$ 105,480</b>



# Public Safety Department

## Core Services

The Public Safety Department consists of a Police Chief (1), a Police Sergeant (1), (2) Police Officers and includes a portion (.25) of the promotion of the Code Enforcement Officer to a certified Police Officer.

The city provides limited coverage to Wheeler, Nehalem, and Nehalem Bay/Oswald West State Park by Intergovernmental Agreements valid through 2027 -2028.

## Key Expenditures Explained

**Building Operations** – Costs previously allocated to PD department are now covered in the Administrations Budget. Operations include cell phone services only.

**Equipment and Subscriptions** – Cover a portion of the new costs associated with the new officer position.



## GENERAL FUND NON-DEPARTMENTAL (#190)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Total	Proposed by Budget Officer
<b>MATERIALS &amp; SERVICES</b>					
CDBG Housing Grant Distribution	\$ -	\$ -	\$ 80,670	\$ -	\$ 85,730
Emergency Preparedness	38,985	8,084	18,000	15,000	16,000
Dues & Subscriptions (Citywide)	791	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>39,776</b>	<b>8,084</b>	<b>98,670</b>	<b>15,000</b>	<b>101,730</b>
<b>DEBT SERVICE</b>					
City Hall <sup>1</sup>	-	-	-	-	295,000
Underhill Plaza <sup>2</sup>	-	-	155,340	155,340	155,340
<b>TOTAL DEBT SERVICE</b>	<b>-</b>	<b>-</b>	<b>155,340</b>	<b>155,340</b>	<b>450,340</b>
<b>TRANSFERS TO OTHER FUNDS</b>					
Building Fund (Moved out of General Fund)	268,615	-	-	-	-
City Hall Expansion Fund	-	1,510,056	4,074,944	4,074,944	-
Transportation Fund	80,000	100,000	100,000	100,000	-
SDC Stormwater	5,000	25,000	-	-	-
Public Safety Reserve Fund	26,200	27,835	-	-	-
<b>TOTAL TRANSFERS OUT</b>	<b>379,815</b>	<b>1,662,891</b>	<b>4,174,944</b>	<b>4,174,944</b>	<b>-</b>
<b>CONTINGENCY</b>					
Contingency	-	-	150,000	-	100,000
<b>TOTAL CONTINGENCY</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>100,000</b>
<b>NON-DEPARTMENTAL</b>	<b>\$ 419,591</b>	<b>\$ 1,670,975</b>	<b>\$ 4,578,954</b>	<b>\$ 4,345,284</b>	<b>\$ 652,070</b>

<sup>1</sup> Debt Service for City Hall Expansion begins in this budget based on completing the project in early FY25.

<sup>2</sup> Debt Service for Underhill was previously recorded in the City Hall Expansion Fund. The debt service payments were moved to the General Fund in FY 2024-2025.

<b>CDBG Reserve</b>						
Beginning Reserve Balance	\$ 109,275	\$ 110,660	\$ 110,670	\$ 115,730	\$ 115,730	
Additions	1,385	5,070	-	-	-	
Reductions (Expenses)	-	-	(80,670)	-	(85,730)	
<b>Ending Reserve Balance</b>	<b>\$ 110,660</b>	<b>\$ 115,730</b>	<b>\$ 30,000</b>	<b>\$ 115,730</b>	<b>\$ 30,000</b>	

# Non-Department Fund

## Understanding "Non-Departmental" Budgeting & Key Expenditures

Assigning a "non-departmental" category in the budget is permissible under Oregon's Local Budget Law, provided it is used appropriately and transparently. While the law mandates that budgets be organized by fund and include detailed estimates of resources and expenditures, it does not prescribe exact departmental structures. This flexibility allows municipalities to include a "non-departmental" category for expenditures that are not easily attributed to a specific department.

Common uses for a "non-departmental" category include:

- General government expenses not tied to a single department (CDBG, Emergency Preparedness)
- Debt service payments (Underhill and this year includes an estimate for city hall debt service)
- Citywide insurance premiums (we may shift to this in coming years but currently assign them to departments)
- Contingency funds (included)
- Interfund transfers (included and detailed out)



# Special Revenue Funds

Building Fund

Transportation Fund

Tourism Fund

# TRANSPORTATION FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
<b>BEGINNING FUND BALANCE</b>	\$ 736,404	\$ 735,102	\$ 415,144	\$ 509,721	\$ 652,600
Fees & Charges:					
Franchise & Utility Agreements	87,543	96,633	85,000	95,000	90,000
Permit Fees	2,830	2,660	3,000	11,000	3,000
Intergovernmental	47,966	49,751	1,592,000	261,880	2,029,360
Interest	11,976	23,182	2,000	19,000	10,000
Miscellaneous	-	14,544	1,000	500	500
Transfers from Other Funds	80,000	100,000	100,000	100,000	-
<b>TOTAL RESOURCES</b>	<b>966,719</b>	<b>1,021,872</b>	<b>2,198,144</b>	<b>997,101</b>	<b>2,785,460</b>
<b>REQUIREMENTS</b>					
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	43,756	46,787	55,000	45,350	45,000
Employee Benefits	37,435	33,921	47,134	35,010	42,000
<b>TOTAL PERSONNEL SERVICES</b>	<b>81,191</b>	<b>80,708</b>	<b>102,134</b>	<b>80,360</b>	<b>87,000</b>
<i># of Full Time Equivalent Positions</i>	<i>0.85</i>	<i>0.90</i>	<i>0.90</i>	<i>0.90</i>	<i>0.65</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Street Lighting	7,308	7,308	8,500	8,500	8,500
Other	6,919	1,800	20,000	6,000	20,000
Road Maintenance:					
Supplies	6,046	11,773	30,000	10,000	20,000
Signage	1,898	2,102	3,500	3,500	8,500
Building:					
Operations	-	2,550	5,000	2,500	3,000
Uniform & Clothing Allowance	222	-	1,200	1,200	1,200
Vehicle Maintenance	8,385	6,926	8,000	4,000	8,200
Travel & Training	-	72	1,000	500	500
Liability Insurance	2,038	2,407	3,500	2,024	2,400
Miscellaneous	10	85	500	337	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>32,826</b>	<b>35,023</b>	<b>81,200</b>	<b>38,561</b>	<b>72,800</b>
<b>CAPITAL OUTLAY</b>					
Infrastructure	108,900	387,720	1,788,000	216,880	2,145,365
<b>TOTAL CAPITAL OUTLAY</b>	<b>108,900</b>	<b>387,720</b>	<b>1,788,000</b>	<b>216,880</b>	<b>2,145,365</b>
<b>PROGRAM REQUIREMENTS</b>					
Transfers to Public Works Reserve Fund	8,700	8,700	8,700	8,700	-
Contingency	-	-	20,000	-	100,000
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>8,700</b>	<b>8,700</b>	<b>28,700</b>	<b>8,700</b>	<b>100,000</b>
Unappropriated Ending Fund Balance	735,102	509,721	198,110	652,600	380,295
<b>TOTAL REQUIREMENTS</b>	<b>\$ 966,719</b>	<b>\$ 1,021,872</b>	<b>\$ 2,198,144</b>	<b>\$ 997,101</b>	<b>\$ 2,785,460</b>





# Transportation Fund

## Core Services

Maintenance, repairs or construction of roads.

## Funding Sources

There is restricted revenue sources from state motor vehicle fuel taxes and franchise agreements.

These funds do not provide sufficient resources to do minimum maintenance of the City's Transportation system.

Historically, the General Fund has subsidized the Transportation Fund.

Fund Balance was left over from previous General Fund transfers was used for operations this year and for the Classic Street Project.

## Key Expenditures

- Capital Outlay (Infrastructure): \$2,145,365  
The capital outlay includes grant funding for the transportation and stormwater portions of the Classic Street Connection project.
- Signage – A one time increase to create a full inventory of street signs

# BUILDING FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
BEGINNING FUND BALANCE	\$ -	\$ 260,587	\$ 186,439	\$ 257,765	\$ 277,200
Fees & Charges	196,930	191,377	293,991	293,991	194,000
Interest	-	-	1,000	9,500	5,000
Miscellaneous	-	-	4,580	4,580	-
Transfers from Other Funds	281,115	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>478,045</b>	<b>451,964</b>	<b>486,010</b>	<b>565,836</b>	<b>476,200</b>
<b>REQUIREMENTS</b>					
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	87,785	71,997	70,000	69,350	96,000
Employee Benefits	59,207	42,011	48,034	41,946	73,000
<b>TOTAL PERSONNEL SERVICES</b>	<b>146,992</b>	<b>114,008</b>	<b>118,034</b>	<b>111,296</b>	<b>169,000</b>
<i># of Full Time Equivalent Positions</i>	<i>1.30</i>	<i>1.25</i>	<i>0.80</i>	<i>0.80</i>	<i>1.10</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Assessments	21,393	14,257	20,000	15,000	20,000
Inspections & Code Review	1,873	26,244	133,991	133,990	5,000
Other	892	1,053	5,000	-	1,000
Building:					
Operations	1,704	1,886	3,000	1,750	-
Uniform & Clothing Allowance	-	1,425	1,500	200	-
Vehicle Maintenance	3,887	3,384	3,000	3,000	2,000
Dues & Subscriptions	2,900	2,020	4,000	-	500
General Office Supplies	1,818	1,692	2,000	500	-
Travel & Training	814	-	2,000	-	2,000
Liability Insurance	-	310	1,000	425	500
Miscellaneous	4,578	588	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>39,859</b>	<b>52,859</b>	<b>175,491</b>	<b>154,865</b>	<b>31,000</b>
<b>CAPITAL OUTLAY</b>					
Equipment	14,396	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>14,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROGRAM REQUIREMENTS</b>					
Transfers to Other Funds	16,211	-	-	-	-
Transfers to General Fund (Indirect Costs)	-	27,332	22,475	22,475	25,040
Contingency	-	-	20,000	-	20,000
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>16,211</b>	<b>27,332</b>	<b>42,475</b>	<b>22,475</b>	<b>45,040</b>
Unappropriated Ending Fund Balance	260,587	257,765	150,010	277,200	231,160
<b>TOTAL REQUIREMENTS</b>	<b>\$ 478,045</b>	<b>\$ 451,964</b>	<b>\$ 486,010</b>	<b>\$ 565,836</b>	<b>\$ 476,200</b>

# Building Fund

## Core Services

The Building Fund supports the administration and enforcement of the State of Oregon Building Codes for all construction within city limits, including residential and commercial inspections, plan reviews, and code enforcement activities.

The fund operates under ORS 455.210(3)(c), which restricts the use of revenues to the direct support of the building inspection program.

## Key Expenditures

Expenditures support the Development Services Manager(.6) who serves as the certified Building Official, as well as (.5) of the Planning and Building Permit Technician position.

# TOURISM FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
<b>BEGINNING FUND BALANCE</b>	\$ 441,790	\$ 585,558	\$ 590,182	\$ 649,663	\$ 684,890
Transient Lodging Tax	289,983	285,877	240,000	285,000	285,000
Interest	3,701	6,387	2,000	23,000	15,000
<b>TOTAL RESOURCES</b>	<b>735,474</b>	<b>877,822</b>	<b>832,182</b>	<b>957,663</b>	<b>984,890</b>
<b>REQUIREMENTS</b>					
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	15,771	76,407	84,000	77,291	101,000
Employee Benefits	11,103	34,114	55,381	42,082	66,500
<b>TOTAL PERSONNEL SERVICES</b>	<b>26,874</b>	<b>110,521</b>	<b>139,381</b>	<b>119,373</b>	<b>167,500</b>
<i># of Full Time Equivalent Positions</i>	<i>0.79</i>	<i>1.48</i>	<i>1.36</i>	<i>1.36</i>	<i>1.60</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Professional Services	41,903	43,406	55,000	50,000	50,000
Other	11,350	170	-	-	-
Tourism Grants	-	5,961	20,000	18,000	20,000
Building:					
Operations	3,067	3,698	4,000	4,000	4,200
Operating Materials & Supplies	10,097	8,565	40,000	25,000	40,000
General Office Supplies	300	539	2,000	500	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>66,717</b>	<b>62,339</b>	<b>121,000</b>	<b>97,500</b>	<b>114,700</b>
<b>PROGRAM REQUIREMENTS</b>					
Debt Service: Visitors Center	50,868	50,868	50,900	50,900	50,900
Capital Outlay	5,457	4,431	5,000	5,000	5,000
Contingency	-	-	5,000	-	5,000
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>56,325</b>	<b>55,299</b>	<b>60,900</b>	<b>55,900</b>	<b>60,900</b>
Unappropriated Ending Fund Balance	585,558	649,663	510,901	684,890	641,790
<b>TOTAL REQUIREMENTS</b>	<b>\$ 735,474</b>	<b>\$ 877,822</b>	<b>\$ 832,182</b>	<b>\$ 957,663</b>	<b>\$ 984,890</b>





# Tourism Fund

## Core Services

The Tourism Fund is a dedicated special revenue fund that is restricted for tourism -related activities of the City as required by state law.

Revenue is generated from 70% of the 2% portion of the transient lodging tax, which must be used exclusively for tourism promotion and tourist -related facilities.

## Key Expenditures

**Personnel** – For staff that are responsible for the maintenance and operations of visitor facilities and for code enforcement. (1.6 FTE)

**Debt Service** – Visitor Center

## CITY HALL EXPANSION FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
BEGINNING FUND BALANCE	\$ 623,161	\$ 251,483	\$ 262,731	\$ 262,731	\$ 47,725
Intergovernmental	-	60,000	75,000	75,000	-
Interest	1,426	2,491	1,908	25,050	-
Transfers from Other Funds	-	1,510,056	4,074,944	4,074,944	-
<b>TOTAL RESOURCES</b>	<b>624,587</b>	<b>1,824,030</b>	<b>4,414,583</b>	<b>4,437,725</b>	<b>47,725</b>
<b>REQUIREMENTS</b>					
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Professional Contracted	58,256	377,221	20,000	20,000	-
Other	154,217	8,933	10,000	10,000	-
Miscellaneous	5,299	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>217,772</b>	<b>386,154</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
Capital Outlay	-	1,019,813	4,260,000	4,260,000	-
Debt Service	155,332	155,332	-	-	-
Transfers to General Funds	-	-	-	-	47,725
Contingency	-	-	100,000	100,000	-
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>155,332</b>	<b>1,175,145</b>	<b>4,360,000</b>	<b>4,360,000</b>	<b>47,725</b>
Unappropriated Ending Fund Balance	251,483	262,731	24,583	47,725	-
<b>TOTAL REQUIREMENTS</b>	<b>\$ 624,587</b>	<b>\$ 1,824,030</b>	<b>\$ 4,414,583</b>	<b>\$ 4,437,725</b>	<b>\$ 47,725</b>

Fund Closes  
in FY 2026



# City Hall Expansion Fund

## Core Services

This is a temporary Capital Project Fund established to track sources and capital expenditures associated with the construction of New City Hall.

## Key Expenditures

**Transfer** – Remaining Fund Balance to the General Fund and close the fund.

SYSTEM DEVELOPMENT CHARGES FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
RESOURCES					
BEGINNING FUND BALANCE	\$ 3,516,585	\$ 2,841,172	\$ 2,617,872	\$ 2,892,886	\$ 3,061,435
System Development Charges					
Water	75,900	131,097	69,000	130,715	80,000
Stormwater	1,914	24,134	17,140	29,000	15,000
Parks	600	780	600	930	600
Interest	61,478	106,779	6,050	94,904	47,700
Transfers from Other Funds	5,000	25,000	-	-	-
TOTAL RESOURCES	3,661,477	3,128,962	2,710,662	3,148,435	3,204,735
REQUIREMENTS					
Materials & Services	15,837	5,326	47,000	-	42,000
Capital Outlay	804,468	230,750	630,340	87,000	869,100
Contingency	-	-	20,000	-	20,000
TOTAL PROGRAM REQUIREMENTS	820,305	236,076	697,340	87,000	931,100
Unappropriated Ending Fund Balance	2,841,172	2,892,886	2,013,322	3,061,435	2,273,635
TOTAL REQUIREMENTS	\$ 3,661,477	\$ 3,128,962	\$ 2,710,662	\$ 3,148,435	\$ 3,204,735

SYSTEM DEVELOPMENT CHARGES - WATER

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
RESOURCES					
BEGINNING FUND BALANCE	\$ 3,282,854	\$ 2,807,069	\$ 2,551,069	\$ 2,810,575	\$ 2,946,290
System Development Charges	75,900	131,097	69,000	130,715	80,000
Interest	59,406	103,159	6,000	92,000	47,000
TOTAL RESOURCES	3,418,160	3,041,325	2,626,069	3,033,290	3,073,290
REQUIREMENTS					
Materials & Services	-	-	42,000	-	42,000
Capital Outlay	611,091	230,750	630,340	87,000	787,920
Contingency	-	-	20,000	-	20,000
TOTAL PROGRAM REQUIREMENTS	611,091	230,750	692,340	87,000	849,920
Unappropriated Ending Fund Balance	2,807,069	2,810,575	1,933,729	2,946,290	2,223,370
TOTAL REQUIREMENTS	\$ 3,418,160	\$ 3,041,325	\$ 2,626,069	\$ 3,033,290	\$ 3,073,290



## SYSTEM DEVELOPMENT CHARGES - STORMWATER

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
<b>BEGINNING FUND BALANCE</b>	\$ 209,597	\$ 8,906	\$ 40,606	\$ 55,526	\$ 86,530
System Development Charges	1,914	24,134	17,140	29,000	15,000
Interest	1,609	2,812	-	2,004	200
Transfers from Other Funds	5,000	25,000	-	-	-
<b>TOTAL RESOURCES</b>	<b>218,120</b>	<b>60,852</b>	<b>57,746</b>	<b>86,530</b>	<b>101,730</b>
<b>REQUIREMENTS</b>					
Materials & Services	15,837	5,326	5,000	-	-
Capital Outlay	193,377	-	-	-	81,180
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>209,214</b>	<b>5,326</b>	<b>5,000</b>	<b>-</b>	<b>81,180</b>
Unappropriated Ending Fund Balance	8,906	55,526	52,746	86,530	20,550
<b>TOTAL REQUIREMENTS</b>	<b>\$ 218,120</b>	<b>\$ 60,852</b>	<b>\$ 57,746</b>	<b>\$ 86,530</b>	<b>\$ 101,730</b>

## SYSTEM DEVELOPMENT CHARGES - PARKS

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
<b>BEGINNING FUND BALANCE</b>	\$ 24,134	\$ 25,197	\$ 26,197	\$ 26,785	\$ 28,615
System Development Charges	600	780	600	930	600
Interest	463	808	50	900	500
<b>TOTAL RESOURCES</b>	<b>25,197</b>	<b>26,785</b>	<b>26,847</b>	<b>28,615</b>	<b>29,715</b>
Unappropriated Ending Fund Balance	25,197	26,785	26,847	28,615	29,715
<b>TOTAL REQUIREMENTS</b>	<b>\$ 25,197</b>	<b>\$ 26,785</b>	<b>\$ 26,847</b>	<b>\$ 28,615</b>	<b>\$ 29,715</b>

# System Development Charges Fund

## Purpose

The System Development Charges (SDC) Fund is established under state statute to account for revenues collected from building permit fees related to new homes or businesses.

These developments place additional demand on public infrastructure, requiring system expansions to accommodate increased usage.

## Key Expenditures

The majority of the capital outlay funds in water and all of the stormwater SDC funds are designated for the Classic Street Connection project. A portion of water SDCs will be used for the design and engineering of a replacement and expansion of water infrastructure on Highway 101.

No expenditures for Parks.

PUBLIC WORKS RESERVE FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
RESOURCES					
BEGINNING FUND BALANCE	\$ 144,775	\$ 159,663	\$ 176,663	\$ 188,111	\$ 211,875
Interest	1,571	2,748	200	7,000	3,500
Proceeds from Sale of Assets	9,112	-	17,000	-	-
Transfers from Other Funds	25,596	25,700	25,700	25,700	20,000
TOTAL RESOURCES	181,054	188,111	219,563	220,811	235,375
REQUIREMENTS					
CAPITAL OUTLAY					
Equipment	21,391	-	20,000	8,936	75,000
TOTAL CAPITAL OUTLAY	21,391	-	20,000	8,936	75,000
Unappropriated Ending Fund Balance	159,663	188,111	199,563	211,875	160,375
TOTAL REQUIREMENTS	\$ 181,054	\$ 188,111	\$ 219,563	\$ 220,811	\$ 235,375



# Public Works Reserve Fund

## Core Services

The Public Works Reserve Fund is a dedicated special revenue fund that restricts the use of proceeds to the purchase of vehicles and equipment for the maintenance of water and storm drainage systems, as well as streets and park maintenance.

This fund is authorized under ORS 294.525(1) and was established by the City through Ordinance 01-02, with renewal by Resolution 22-17b.

## Key Expenditures

Expenditures include capital outlay to replace an obsolete Public Works pickup truck with new service body utility truck.



# Water Utility Fund

## Core Services

The Water Utility Fund is a proprietary fund that provides residents with potable water to support public health and sanitation. Services include meter installation, repair, system maintenance, and compliance with state and federal water quality regulations.

The Fund comprises two departments: Operations and Well Field & Transmission Lines (WFTL).

## Key Revenue

- Utility Fees – Adjusted per CPI
- State Grant Funds for water portion of the Classic Street Connection Project



# Key Expenditures: Water Utility Projects

## Classic Street Connection

Installation of critical water infrastructure to support new housing development in the Urban Growth Boundary. Total water component: \$371,020 from grant funding.

## Engineering and Other Services

Professional Services as needed

## Highway 101 Design

Design and engineering of a critical waterline replacement and expansion of a failed asbestos concrete line. Total project: \$86,000 split between Water Utility and SDC funds.

## Generator Replacement

Replacement of obsolete generator for the city's reservoir to maintain operations during power outages. Total project: \$65,000.

## Public Works Office

Upgrade of the existing facility to create a private working space for the public works director. Total project: \$38,000.

## WATER UTILITY FUND

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Final Adopted Budget	Estimated Actuals	Proposed by Budget Officer
<b>RESOURCES</b>					
<b>BEGINNING FUND BALANCE</b>	\$ 454,017	\$ 597,799	\$ 771,994	\$ 1,168,107	\$ 1,505,090
Fees & Charges					
Water Collections	1,096,051	1,516,226	1,600,000	1,600,000	1,660,000
Meter Installations	9,960	14,940	9,130	23,300	12,000
Water Sales	-	43,098	-	4,000	1,000
Intergovernmental:					
State of Oregon Grant	24,285	-	-	-	-
FEMA Reservoir Research Grant	13,836	-	-	-	-
Other	-	-	1,168,000	136,736	371,020
Interest	39,232	68,676	7,000	40,000	20,000
Miscellaneous	13,883	11,397	4,000	2,800	2,000
<b>TOTAL RESOURCES</b>	<b>1,651,264</b>	<b>2,252,136</b>	<b>3,560,124</b>	<b>2,974,943</b>	<b>3,571,110</b>
<b>EXPENDITURES BY CATEGORY</b>					
Personnel Services	446,911	463,732	655,407	525,102	643,710
Materials & Services	247,622	237,656	512,700	411,658	617,900
Debt Service	170,356	173,056	180,000	180,000	180,000
Contingency	-	-	-	-	25,000
Transfers to Other Funds	185,246	208,000	216,357	216,357	234,020
<b>TOTAL EXPENDITURES BY CATEGORY</b>	<b>1,053,465</b>	<b>1,084,029</b>	<b>2,735,964</b>	<b>1,469,853</b>	<b>2,225,630</b>
Unappropriated Ending Fund Balance	597,799	1,168,107	824,160	1,505,090	1,345,480
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,651,264</b>	<b>\$ 2,252,136</b>	<b>\$ 3,560,124</b>	<b>\$ 2,974,943</b>	<b>\$ 3,571,110</b>

# WATER UTILITY FUND

## OPERATIONS DEPARTMENT (#400)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Total	Proposed by Budget Officer
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	\$ 255,004	\$ 270,917	\$ 364,500	308,286	347,710
Employee Benefits	191,907	192,815	290,907	216,816	296,000
<b>TOTAL PERSONNEL SERVICES</b>	<b>446,911</b>	<b>463,732</b>	<b>655,407</b>	<b>525,102</b>	<b>643,710</b>
<i># of Full Time Equivalent Positions</i>	<i>3.80</i>	<i>3.85</i>	<i>4.45</i>	<i>4.45</i>	<i>4.40</i>
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Utility Billing Administration	24,856	41,800	50,000	50,000	50,000
Engineering & Other Services	2,663	27,155	45,000	22,500	50,000
Compliance Obligations	1,362	1,890	3,600	3,600	3,700
Other	505	358	1,600	1,400	1,600
Building:					
Operations - Electricity	15,705	14,842	16,000	16,000	17,000
Operations - Utilities	9,499	9,667	11,500	11,500	12,500
Maintenance & Supplies	1,883	2,556	5,000	5,000	10,000
Uniform & Clothing Allowance	1,130	65	1,600	1,600	2,500
Vehicle Maintenance	11,699	11,418	14,000	10,000	15,000
Dues & Subscriptions	5,528	4,282	7,600	5,000	5,000
Operating Maintenance & Supplies	97,812	42,692	189,000	100,000	193,000
General Office Supplies	226	902	2,500	5,340	1,500
Travel & Training	2,540	3,668	5,000	5,000	7,500
Liability Insurance	30,181	35,126	40,000	40,000	47,000
Miscellaneous	48	-	500	500	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>205,637</b>	<b>196,421</b>	<b>392,900</b>	<b>277,440</b>	<b>416,800</b>
<b>PROGRAM REQUIREMENTS</b>					
Debt Service	170,356	173,056	180,000	180,000	180,000
Capital Outlay	3,330	1,585	1,171,500	136,736	525,000
Transfers to Other Funds:					
General Fund - Indirect Costs	168,350	191,000	199,357	199,357	214,020
Public Works Reserve Fund	16,896	17,000	17,000	17,000	20,000
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>358,932</b>	<b>382,641</b>	<b>1,567,857</b>	<b>533,093</b>	<b>939,020</b>
<b>OPERATIONS DEPARTMENT</b>	<b>\$ 1,011,480</b>	<b>\$ 1,042,794</b>	<b>\$ 2,616,164</b>	<b>\$ 1,335,635</b>	<b>\$ 1,999,530</b>

# WATER UTILITY FUND

## WELL FIELD & TRANSMISSION LINES (WFTL) DEPARTMENT (#410)

CATEGORY	HISTORICAL ACTUALS		CURRENT FISCAL YEAR 2024/2025		BUDGET 2025/2026
	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Adopted Budget	Estimated Total	Proposed by Budget Officer
<b>MATERIALS &amp; SERVICES</b>					
Contractual Services:					
Engineering & Other Services	1,119	-	15,000	47,000	80,000
Compliance Obligations	660	1,335	3,200	2,500	3,200
Other	348	348	5,500	5,500	5,600
Building:					
Operations - Electricity	17,468	17,128	18,000	18,000	20,000
Operations - Utilities	1,212	1,055	3,200	1,500	1,500
Maintenance & Supplies	-	105	5,000	1,500	5,000
Uniform & Clothing Allowance	310	-	800	250	-
Vehicle Maintenance	1,279	1,953	3,500	1,000	3,500
Operating Maintenance & Supplies	3,634	580	44,000	34,000	49,000
Travel & Training	1,284	1,461	1,800	1,800	7,500
Liability Insurance	13,443	16,042	18,000	19,368	24,000
Lease & Easements (non-capital)	1,228	1,228	1,300	1,300	1,300
Miscellaneous	-	-	500	500	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>41,985</b>	<b>41,235</b>	<b>119,800</b>	<b>134,218</b>	<b>201,100</b>
<b>PROGRAM REQUIREMENTS</b>					
Contingency	-	-	-	-	25,000
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>WFTL DEPARTMENT</b>	<b>\$ 41,985</b>	<b>\$ 41,235</b>	<b>\$ 119,800</b>	<b>\$ 134,218</b>	<b>\$ 226,100</b>

# 5-year Forecasts



# General Fund Forecast

## Revenue Projections

- Transient Lodging Tax: 4% annual growth
- Property Taxes: 2% annual growth
- Intergovernmental: 4% annual growth
- Interest: 3% annual growth
- Fees & Charges: 2% annual growth

## Expenditure Projections

- Personnel Services: Varies by position
- Materials & Services: 5% annual growth
- Debt Service: Based on amortization schedules
- Capital Outlay: Based on planned projects

The General Fund is projected to maintain healthy reserves throughout the forecast period, with ending fund balances growing from \$3.72 million in FY2026 to \$5.33 million by FY2030. This growth supports the city's policy requirement of maintaining reserves at 25% of operating expenditures.

# Water Utility Fund Forecast

## Revenue Projections

- Water Collections: 4% annual growth
- Meter Installations: 3% annual growth
- Interest: 3% annual growth
- Intergovernmental: Project -based

## Expenditure Projections

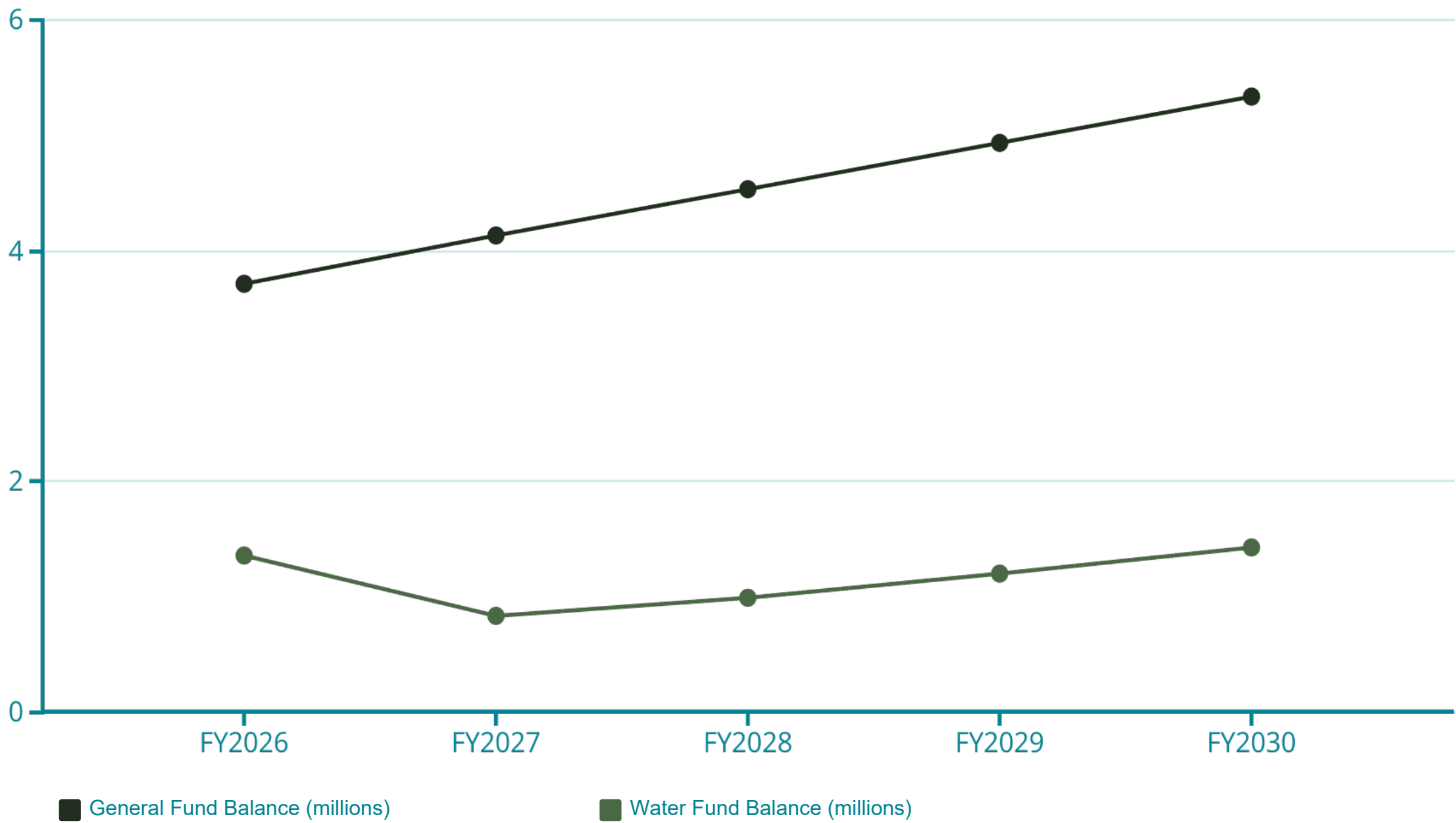
- Personnel Services: Varies by position
- Materials & Services: 3% annual growth
- Debt Service: Based on amortization schedule
- Transfers to Other Funds: 5% annual growth

The Water Utility Fund shows a temporary decline in fund balance in FY2027 due to planned capital projects, but recovers in subsequent years as those investments are completed. By FY2030, the fund is projected to have a healthy balance of \$1.43 million.

# Five-Year Financial Forecast



Strategic planning is essential to the effective stewardship of public resources. The City of Manzanita utilizes a five -year financial forecast to support informed decision -making and proactively address future fiscal challenges.





# Capital Improvement Plan Overview

The Capital Improvement Plan (CIP) provides guidance and planning for the City of Manzanita's infrastructure. The CIP is based on both the City's Master Plan documents and City Council goals.

With a major capital project and new leadership, the CIP for this year includes only those projects that are realistically able to complete within this fiscal year. The primary focus of the coming year will be to revisit the City's long -term goals for capital improvements and provide a revised 5 -year plan next fiscal year.

## Funding Challenges

Aside from Water Utility Fund related maintenance or expansion projects, Manzanita has paid for many of the city's capital needs through the General Fund, particularly roads and stormwater systems.

This 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.

## Classic Street Connection

Multi-Fund Project	Sources		Total Appropriation
	Grant Funding	City Funding	
Transportation	\$ 1,062,083	\$ 131,000	\$ 1,193,083
Transportation - Stormwater	922,281		922,281
Water Utility	371,020		371,020
System Development Charges - Water		738,920	738,920
System Development Charges - Stormwater		81,180	81,180
<b>TOTALS</b>	<b>\$ 2,355,384</b>	<b>\$ 951,100</b>	<b>\$ 3,306,484</b>

## Public Works Office

Public Works Office	Project Estimate (2025-2026)
<u>Capital Cost:</u>	
Design and Construction	\$ 38,000
<b>TOTAL ESTIMATED CAPITAL COST</b>	<b>\$ 38,000</b>
<u>Funding Source:</u>	
Water Utility	\$ 38,000
<b>TOTAL FUNDING</b>	<b>\$ 38,000</b>

## Highway 101 Design

Highway 101 Design	Project Estimate (2025-2026)
<u>Capital Cost:</u>	
Planning, Engineering, Design	\$ 86,000
<b>TOTAL ESTIMATED CAPITAL COST</b>	<b>\$ 86,000</b>
<u>Funding Source:</u>	
System Development Charges - Water	\$ 43,000
Water Utility	43,000
<b>TOTAL FUNDING</b>	<b>\$ 86,000</b>

## Generator Project

Generator	Project Estimate (2025-2026)
<u>Capital Cost:</u>	
Capital Item (Generator)	\$ 65,000
<b>TOTAL ESTIMATED CAPITAL COST</b>	<b>\$ 65,000</b>
<u>Funding Source:</u>	
Water Utility	\$ 65,000
<b>TOTAL FUNDING</b>	<b>\$ 65,000</b>



# Residential Pump House

Residential Pump House	Project Estimate (2025-2026)	
<u>Capital Cost:</u>		
Upgrades	\$	30,000
TOTAL ESTIMATED CAPITAL COST	\$	30,000
<u>Funding Source:</u>		
Water Utility	\$	30,000
TOTAL FUNDING	\$	30,000

# Next steps

- April 30 – Continued meeting if required
- Public Hearing - May 6<sup>th</sup> – 6pm
  - Budget Committee Vote to Approve Budget, Tax Levy & Revenue Sharing
- Public Hearing - May 28<sup>th</sup> – 6pm
  - City Council vote to Adopt Budget

