May 12, 2022

TO: THE HONORABLE MAYOR, CITY COUNCIL, BUDGET COMMITTEE AND CITIZENS OF SILETZ

FR: BARBARA CHESTLER, BUDGET OFFICER

2022-23 BUDGET MESSAGE

Please accept the Budget for Fiscal Year 2022/23 beginning July 1, 2022 and ending June 30, 2023. The proposed budget has been prepared according to ORS 294.331. The Budget is a balanced budget between total Resources and Requirements. City staff was consulted for departmental expenditures regarding city owned infrastructure, for maintenance and repairs projects and needed and necessary capital improvement projects. Future revenues and expenditures have been estimated to compile a feasible budget.

Anticipated revenue were determined by using year to date revenue figures, projecting revenues to the years end, and evaluating any know or anticipated changes. State allocated funds were projected on the state’s published allocation on a per capita amount as determined by the Department of Revenue, for a population of 1,235 per census reports for 2020.

The City of Siletz budget for fiscal year 2022-23 has been prepared on an Accrual Basis.

***General Government:***

The Revenues and Expenditures in the General Fund are based upon the anticipation of State Liquor, Cigarette, and Cannabis Taxes, Franchise fees and local fees received by the city. Property Taxes to be collected are expected to be approximately $13,000.00. The net working capital includes the first half of the ARPA fund, $144,500 and the second half is budgeted under grants. Expenditures include under materials and services $6,200 for paint for city hall and professional services includes $22,000 for code enforcement. Capital outlay includes expenditures for office equipment from the ARPA funds for technology upgrades at the city hall offices.

***Enterprise Funds*:**

**Water Fund**: The Water Fund, Revenues and Expenditures reflect the operation and maintenance of the Water Plant and Distribution System. Water sales is a very conservative estimate this budget. Expenditures reflect cost to replace the skylights in the building, replacement of a .2mg vent on the plant water tank and a one third portion of the cost of a new truck for public works. Small tools are needed in this budget to replace tools that will no longer be available to the public works staff, as they were personal tools being used and that person will be retiring before the end of this budgeted fiscal year.

The outgoing budget FY21/22 budgeted for Water System Infrastructure Mapping. This line item was not expended due to currently we have personnel that has the capability and has been working on digitizing our distribution system. The filter media was budgeted for this fiscal year at the water treatment plant and the work was completed. When changing the media, it was found the under drains were cracked and had to be repaired and replaced. That work has been completed.

Funds have been budgeted for regular maintenance, and emergency type waterline/distribution repairs.

**Sewer Fund:**

The Sewer Fund, Revenues and Expenditures reflect the operation and maintenance of the sewer system, both the plant and the collection system. The city continues to look at obtaining funds for the major improvement listed in the Facilities Plan. The sewer improvements were then estimated to be approximately seven million dollars; given the current state of the economy that price tag could be expected to increase. This current fiscal budget the SBR blower was purchased. However due to supply chain issues the unit cannot be delivered until after the next fiscal year starts. We will need to change the beginning balance of the budget by $8,200.00 and then increase the expenditure page to include this in FY 22/23 budget to be able to expend those funds.

The FY22/23 budget includes $15,000 for Infiltration and Inflow (I & I) TV work and smoke testing, a new transformer at the plant, lighting outside the plant, siding for the building, stocking of UV light bulbs and sleeves used for disinfection and will pay one third of the cost for a new truck for public works .

Funds have been budgeted for regular maintenance and emergency type sewer collection repairs and disposing of the bio solids.

***Special Funds:***

**Street Fund:**

Revenues in the Street Funds have not increase and are based on the state apportionment estimates. There is a transfer in from the general fund as the fund is not sustainable without a transfer. This budget includes the SCA grant money for Swan Ave repairs. This is a reimbursable grant meaning we will expend the funds and then request reimbursement. Budgeted is maintenance and repairs which includes gravel, cold patch for city streets and replacement of one fire hydrant, and will pay one third of the cost for a new truck for public works.

**State Revenue Sharing:**

The State Revenue Sharing Fund has been prepared based upon revenue funds in the amount of $10,000. The city donates $500 to the Senior Citizens Mealsite and $500 for Siletz Food Share and provides funds for community services in the amount of $3,750 and $3,750 for Parks and Recreation.

**Library Fund:**

The City budgets $3,000 for the Library Building, which come from a transfer of $2,000 from the General Fund and a transfer from the State Revenue Sharing Fund. Once the liability and property insurance policy is paid for the building and contents, the city will issue a check to the Library district for the balance if any of $3,000 budgeted for the district to use for utility bills.

***Debit Service:***

**Bonds Payable:**

The Bond/Loan funds are financed by transfers from corresponding Revenue Funds. The bonds are from 1995 and matures in 2034, 2000 Revenue Bond matures in 2041 and the 2005 Revenue Bond matures in 2045. The city received a State Revolving Loan to finance the RUS Water Tank project. The original loan was $728,241. Of this amount $250,000 was forgiven, leaving a balance of $478,241 with interest of 1%. Annual payments began November 30, 2011 with final payment due November 30, 2037.

***Reserve Funds:***

The Reserve Funds are holding funds and they do not generate any revenue except interest. The Reserve Funds can only be utilized by transfer back to the parent fund, or if it is a bond reserve, then to the bond funds. These reserve funds were established for the Sewer Facilities I &I Fund, Water Facilities Reserve Fund, which receives a transfer from the Water Fund to the Reserve Fund and finally a Street Improvement Reserve Fund. A transfer did not occur to fund this reserve as the street fund is currently unsustainable.

***Personnel :***

**Staff Salary and Benefits:**

The City staff consists of five full time employees in the Public Works Department, one full time and two part time personnel in City Hall. Utility Worker III is working off compensated time until he has depleted it which is about a six month time span. Currently his certifications are needed to keep the city in compliance with operations in the Water and Sewer plant. We do have personnel that are working to their next certification levels, however due to lack of service time in the field they are not eligible to test. The CPI-W for the period January 2021 through December 21 is 5%. This is the Consumer Price Index for Urban Wage Earners and Clerical Workers, called (CPI-W). It is a monthly measure of the average change over time in the prices paid by urban wage earners and clerical workers for a market basket of consumer goods and services. Based on this information the proposed budget includes a 5% COLA to all Public Works Staff. City Hall staff is not included in the COLA as the City Recorder was just hired. A determination is pending a council decision on staffing at City Hall. The benefit package remains the same.

**General Comments:**

The total proposed Budget for 2022-23 is $ 5,121,300.00. Included in this budget is ARPA funds of $289,000 and the SCA grant for $100,000.

Respectfully Submitted

Barbara Chestler City Recorder