

CITY OF MAUPIN

FISCAL YEAR 2021-2022 BUDGET MESSAGE

A budget is a financial plan that includes estimates of expenditures and revenues for a single fiscal year or a biennium. The local budgeting process provides procedures for evaluating a local government's need and identifying revenue sources to meet those needs. A completed budget provides a means of controlling expenditures and a justification for imposing property taxes.

The budget is one of the most important and informative documents city officials will use. It shows the estimated costs of expenditures (items or services the city wishes to purchase in the coming fiscal year) and other budget requirements that must be planned but won't actually be spent. It also shows the resources that will be available to pay for those expenditures.

The City of Maupin operates under a council-manager form of government. The governing body consists of six elected council members and a mayor. The Mayor and Council set policies and the City Manager oversees the activities of the City.

The Budget Committee is an advisory group comprised of the city council and an equal number of appointed members. The appointed members must be electors of the city, meaning they must be qualified voters who have the right to vote on the adoption of any measure. The budget committee is required to hold at least one meeting for the purpose of receiving the budget message and the budget document, and to provide the public with an opportunity to ask questions about and comment on the budget. When approving the budget, the budget committee must also approve a property tax rate or the tax amounts that will be submitted to the county assessor.

The proposed budget of the City of Maupin is for the single fiscal year 2021-2022 and has been prepared by the budget officer in accordance with the local budget laws of the Oregon Department of Revenue. The entire proposed budget for the City of Maupin is \$2,775,796. This budget includes revenues of \$192,391 in multiple grants.

The City of Maupin continues on a cash basis of accounting.

Current and estimated property taxes are relative to the following: Property taxes continue to be impacted by Ballot Measure 5, a constitutional amendment limiting property taxes for general government operations to \$10 per \$1,000 of property value, and Ballot Measure 50, a constitutional amendment that set maximum assessed value for the 1997-98 fiscal year and allows for only a 3% increase in that value annually, adjusted for new growth and other specific adjustments cited in the legislation. Maupin's permanent tax rate is \$5.3573 per \$1,000. Maupin's total taxable assessed value for 2020-2021 was \$61,717,275. It is estimated the 2021-2022 assessed value will be \$63,568,793. Based on the estimated value and permanent tax rate, the estimated tax

revenue that would be generated is \$340,557. The estimated tax revenue amount, however, will not be the amount of tax that will actually be received by the City due to Measure 5 compression and discounts and taxes uncollected in the year billed. It is estimated 94 percent of the tax revenue will be collected or \$320,124, and a Measure 5 compression loss of \$7,482 for a balance estimated to be received of \$312,642.

The proposed budget is based on historical data, plans of the city, and information submitted by other agencies for estimates of revenues and expenditures.

Per capita distribution of Oregon State Cigarette tax, Liquor tax, and State Street tax were calculated based on the legislatively-enacted state budget for cities and certified population estimates completed by the Portland State University's Center for Population Research. Maupin's population is certified at 435. Projections for distributions to cities are developed and revised periodically by various state agencies throughout the year.

Personal services are based on City plans and Federal and State tax requirements. Personal services include an expense/liability for vested/accumulated compensatory and vacation time. Budgeted allocation of personal services is as follows:

PERSONAL SERVICES FUND ALLOCATION

POSITION	CITY	WATER	SEWER	STREET	PARK	LIBRARY	FIRE
<i>percent allocation</i>							
City Manager	60	10	10	10	5		5
Recorder	85	5	5		5		
Utility Billing Clerk	24	35	35				6
PW Foreman		50	25	10	5		10
Utility Worker		30	30	30	10		
Utility Worker		60	20	20			
WWT Plant Operator			100				
Park Manager Team					100		
Add 'l Park Personnel					100		
Librarian	25					75	
Librarian Assts						100	

The City is insured through City County Insurance Services for Property, Liability, and Auto. Workers' Compensation is provided through SAIF Corporation.

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial sources except those required to be accounted for in another fund. The principal revenue sources are property taxes, franchise fees, charges for services and interest on investments. The State Revenue Sharing Fund has limited transactions and is accounted for in the General Fund.

The *Park Fund* accounts for the collection of user fees and expenditures for maintenance and development of the park.

The *Street Improvement Fund* accounts for transfers from the General fund and the usage of such resources.

The *Southern Wasco County Library Fund* is used for the operations of the City's Library.

The City additionally reports non-major funds within the following fund type:

The *Special Revenue Funds* are primarily operating funds that account for amounts that are derived from specific revenue sources, which are legally restricted to finance particular functions or activities.

The Fire Department (*Public Safety Fund*) is used to account for resources and expenditures of the Fire Department.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the city's water department. Primary revenues are the sale of water to users, connection fees and interest on invested funds.

The *Sewer Fund* consists of the Sewer System Fund and the Sewer System Reserve Fund. The Sewer System Fund accounts for the operations of the City's sewer department. Primary revenues are charges for services and interest on invested funds. The Sewer Reserve Fund is used for extraordinary expenses incurred in the operation of the sewer system.

PROJECTS:

The City has several projects in progress and planned that consist of the following:

- A) Parks Master Plan
- B) Kaiser Park Improvement
- C) Water System Master Plan
- D) Deschutes RV Park
- E) Wastewater Treatment Facility
- F) Fire Department PPE and Truck Equipment
- G) Oregon Ready to Read Program
- H) Wasco County Cultural Trust
- I) Other Miscellaneous grants for library programs
- J) Compost Facility

The following is additional detailed information by Funds:

GENERAL FUND:

The General Fund receives revenues from property taxes, licenses, permits, franchise fees, and other financing sources. The Revenues in the FY 2021-2022 General Fund budget (\$836,378) consist of:

Beginning Fund Balance	218,601	26% of total fund
Property Taxes estimated	313,200	37% “
Franchise Fees	102,900	12% “
Transient Lodging Tax	60,000	8% “
Other revenues	59,286	7% “
Grants	82,391	10% “

The detailed expenditure, "Economic & Community Development" remains in the budget. This fund was established to be used for grant application expenses or matching dollars or seed monies on Needs and Issues Inventory projects or special events.

Debt Service - Civic Center Construction Loan: The City has a 20-year mortgage through Government Capital payable to Southside Bank, with the ability to pay off early in ten years. The loan re-payment schedule is quarterly payments of \$21,028.54.

Payments - Contributions to Other Agencies: It has been the general policy of the City to contribute the State Revenue Sharing distribution monies received annually, \$4,000, to other agencies. It is proposed to continue contributions to the Wasco County Emergency Operations Center in the amount of \$1,000. The balance of \$3,000 is budgeted for Charitable Organizations. The City of Maupin recognizes the services and benefits provided by local charitable organizations and is proud to contribute to those charities. An application is posted on the City's website to apply for a contribution.

Transfers to Other Funds -

It is proposed to transfer funds from the General Fund to other funds as follows:

- a) \$40,000 to the Fire Department Fund to cover operational expenditures, and matching funds for grant.
- b) Continue to transfer the original \$49,805 fiber optic franchise fee to the Street Improvement Fund
- c) \$37,700 to State Street Tax Fund to cover operational expenditures

- d) \$20,000 to South Wasco County Library to cover additional mortgage payment.

WATER FUND:

The water fund receives its revenues from user fees. The proposed budget does not include a fee increase to residential and commercial user rates this year.

The City began charging System Development Charges in 2010. The current amount in the Water SDC fund is \$20,500. The uses of these funds have restrictions under state law.

The Springs Area Protection work has been completed. Work is continuing on the Water System Master Plan. Additional funding is budgeted for future hydrant replacements as needed. Funding is continued for purchase of water meters.

SEWERAGE SYSTEM:

The sewerage system revenue fund receives its revenues from user fees. The proposed budget includes a \$2.00 per month fee increase to residential and commercial user rates and an equivalent percentage increase to other users to support a Wastewater Treatment Facility and system improvements/replacements funding.

The City began charging System Development Charges in 2010. The current amount in the Sewer SDC fund is \$55,500. The uses of these funds have restrictions under state law.

STATE STREET TAX FUND:

This fund receives its revenues from State Highway User Tax distribution on a per capita basis for road-related purposes, and Transfer of funds from the General Fund. It is anticipated the City will transfer \$50,000 from the General Fund to this fund to cover the expenses.

PARK FUND:

The Park fund receives its revenues from user fees in the City Park. User fees have been increased to cover increased costs.

FIRE DEPARTMENT FUND:

The Fire Department receives it's funding from the General Fund.

The budget includes carrying over the \$10,000 to seek matching grants for truck equipment and turnouts and PPE for new members. It is anticipated the City will transfer \$44,879 from the General Fund to the Fire Department to cover expenses.

NEW LIBRARY FUND:

This is a special fund set up to account for the building of a New Library. This project has been completed.

STREET IMPROVEMENT FUND:

This is a special fund set up by the city for major street improvement projects and equipment. Its source of revenue is Transfer of Funds from the General Fund, from fiber optic franchise fee money. We are in the twenty-third year of this initial forty-year term franchise agreement. The City is looking at applying for a Small City Allotment grant from ODOT for street paving.

SOUTHERN WASCO COUNTY LIBRARY FUND:

The City contracts with Wasco County to provide library services to the District for the Southern Wasco County Library. Revenues are a distribution from the Wasco County Library Service District property taxes. The District approved a one-off 25% increase for FY 21/22, with funding allotment of \$68,859. It is anticipated that after next fiscal year the normal 3% increase would resume. It is proposed the City contribute \$20,000 to this fund to help with additional mortgage payment.

MAUPIN BROADBAND PROJECT:

This is a Special Fund set up to account for the revenues and expenditures associated in the construction/installation of high-speed fiber optic broadband services to the City of Maupin. The project is complete. This Fund will continue for maintenance and operational needs with revenues coming from the LSN franchise fee, as agreed upon with an Intergovernmental Agreement with Q-Life.

Prepared by
Christine Wolfe
Budget Officer
June 1, 2021