

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 needs 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 will not actually be spent. It also shows the resources that will be available to pay for those expenditures.

The City of Maupin operates under a mayor-council 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 2023-2024 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 \$4,200,877. This budget includes revenues of \$395,500 in multiple grants.

The City of Maupin continues to operate 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 1997-1998 fiscal year and allows for only a 3 percent 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 2022-2023 was \$66,641,094. It is estimated that the 2023-2024 assessed value will be \$68,640,327. Based on the estimated value and permanent tax rate, the estimated tax revenue that would be generated is \$367,727 or approximately a \$14,500 increase from the previous fiscal year. 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 that 94 percent of the tax revenue will be collected, or \$345,663, and there will be a Measure 5 compression loss of \$8,079, which will result in a balance to be received of \$337,584.

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 431. 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:

POSITION	CITY	WATER	SEWER	STREET	PARK	LIBRARY	FIRE
<i>percent allocation</i>							
City Manager	60	15	15		5		5
City Recorder	70	5	5		15		5
Utility Billing Clerk	50	25	25				
Public Works Foreman		55	25	10	10		
Utility Worker #1	5	35	35	20	5		
Utility Worker #2	5	50	20	20	5		
WWT Plant Operator			100				
Park Manager Team					100		
Community Liaison	100						
Librarian						100	
Librarian Assistant(s)						100	

The City is insured through Citycounty Insurance Services (CIS) 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 parks.

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 Southern Wasco County 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:

- Parks Master Plan
- City Park Boat Ramp Replacement
- Water System Master Plan
- Wastewater Treatment Facility Master Plan
- Street Improvements
- Transportation Analysis
- City Land Development

The 2019-2020 audit was completed and published this year. Beginning cash balances were adjusted to reflect the fund balance ending. The Bond sheet has been removed due to no historical data to report. 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 23-24 General Fund budget (\$1,612,215) consist of:

Beginning Fund Balance	\$364,347	23% of total fund
Property Taxes estimated	\$337,584	21% of total fund
Franchise Fees	\$122,813	8% of total fund
Transient Lodging Tax	\$90,000	6% of total fund
Other revenues	\$309,860	19% of total fund
Grants	\$387,611	24% of total fund

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

Recycle Cost Recovery Fee receives its revenues from user fees and covers the hauling expense of the Recycle Depot. The proposed budget includes a \$0.50 per month fee increase to residential and commercial user rates.

Debt Service - Civic Center Construction Loan

The City has a twenty-year mortgage through Government Capital, payable to Southside Bank, with the ability to pay off early in 2030. The loan re-payment schedule is quarterly payments of \$21,028.54. Mortgage funds donated from the South Wasco County Library Foundation (SWCLF) that were being held under the New Library budget sheet has been moved to the General Fund – Debt Service with a dedicated line, SWCLF: Loan Repayment. Donations from SWCLF for loan repayment will now be in the General Fund under SWCLF: Loan Repayment Donation.

Payments - Contributions to Other Agencies

It has been the general policy of the City to contribute the State Revenue Sharing distribution monies received annually to other agencies. The City expects to receive \$6,000 this fiscal year. It is proposed to continue contributions to the Wasco County Emergency Operations Center in the amount of \$1,000 and South Wasco County Ambulance in the amount of \$1,000. The balance of \$4,000 is budgeted for local nonprofit organizations. The City of Maupin recognizes the services and benefits provided by local nonprofits and is proud to contribute to those organizations. An application is posted on the City's webpage annually each February and City Council awards grants in March.

Transfers to Other Funds

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

- \$45,000 to the Fire Department Fund to cover operational expenditures, and matching funds for grant.
- Continue to transfer the original \$49,805 fiber optic franchise fee to the Street Improvement Fund
- \$52,000 to State Street Tax Fund to cover operational expenditures
- \$22,000 to Southern Wasco County Library Fund to cover operational expenditures

The City will be entering into water and sewer upgrades from the master plans that have been developed by Anderson Perry. The City will be shopping for funding from several sources; however, the City needs to prepare for substantial increases to its water and sewer usage fees.

WATER FUND

The water 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 system improvements and replacements funding.

The City adopted System Development Charges (SDC) in 2010. The current amount in the Water SDC fund is \$23,000 with a projected year-end balance of \$31,000. The uses of these funds have restrictions under state law.

SEWAGE FUND

The sewage 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 \$66,000 with a projected year-end balance of \$90,000. 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 \$52,000 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. Capital fund increase is for boat ramp renovations and other park improvements.

FIRE DEPARTMENT FUND

The Fire Department receives funding from the General Fund. It is anticipated that the City will transfer \$45,000 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. This Fund will no longer continue managing debt repayment funds. Mortgage funds donated from the SSWCLF that were being held under the New Library budget sheet were moved to the General Fund – Debt Service, with a dedicated line, SWCLF: Loan Repayment. Donations from South Wasco County Library Foundation for loan re-

payment will now be in the General Fund – SWCLF: Loan Repayment Donation. This fund will be closed by resolution and the remaining balance approximately \$13,500.00 will be moved to the Southern Wasco County Library Fund.

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-fifth year of this initial forty-year term franchise agreement made in 1998. The City continues to apply for the Small City Allotment grant from ODOT for street paving, and have a current grant of \$100,000 for paving in 2023.

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 three percent increase for FY 23-24, with funding allotment of \$73,053.

MAUPIN BROADBAND PROJECT

This is a Special Fund set up to account for the revenues and expenditures associated in the construction and installation of high-speed fiber optic broadband services to the City of Maupin. The project is complete. This Fund will no longer continue to manage funds received from the LSNetwork franchise fee. The LSN franchise fee is a pass-through to Wasco County and has been moved to the General Fund. LSNetwork franchise fee is received into the General Fund and expensed out under Payments to Other Agencies & Grantees – Wasco County LSNetwork Franchise. Monies received for LSNetwork Lease/Rent will continue to be accounted in the Broadband budget sheet for maintenance and operational needs.