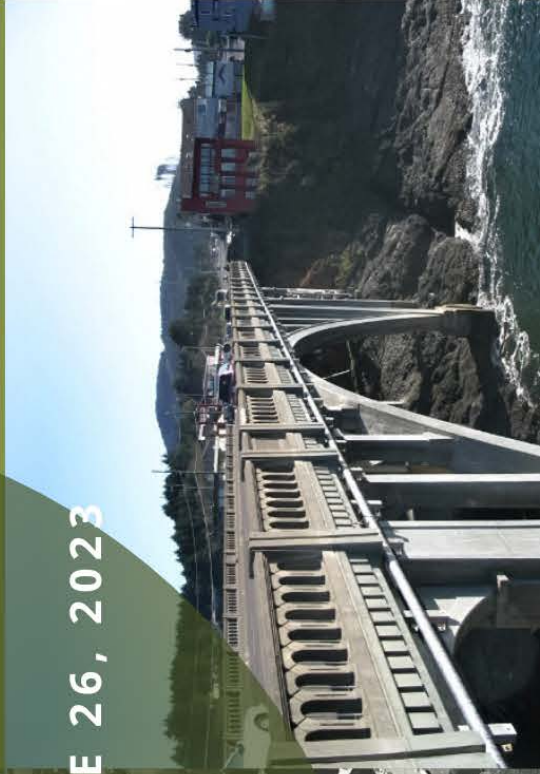


URBAN RENEWAL FY 23-24 BUDGET

ADOPTED - JUNE 26, 2023



Budget Message Fiscal Year 2023 – 2024

City of Depoe Bay

Staff is pleased to submit the proposed budget for FY 2023-2024 for your consideration.

The budget for the City of Depoe Bay was prepared in accordance with current municipal budget law (ORS Chapter 294). The City's financial statements are prepared on an accrual basis of accounting, in compliance with revised rules of the Governmental Accounting Standards Board (GASB). The City maintains and prepares fixed assets inventories for audit pursuant to GASB Rule 34, as modified for small cities. While local budget law allows for biennial budget periods the City continues to budget on an annual fiscal year budget period.

The proposed budget includes the following major and non-major governmental funds: the **General, Transient Room Tax, Street, Parks & Buildings, Emergency Services (new for FY 23/24) and Salmon Enhancement Funds**; and proprietary funds: the **Harbor, Sewer, Sewer Debt Service, Water, Miroco Water Reserve and Water Debt Service Funds**.

The proposed budget provides appropriation, revenue and transfer projections by fund. The budget pages include (from left to right) actual figures for the two most recent fiscal years, current year budget information, and the proposed amounts for 2023-24.

As we move to a post-pandemic new normal, much like businesses and communities throughout Oregon and across the United States, the City of Depoe Bay is experiencing many challenges including inflation, the cost of operations outpacing revenue, a housing and unhoused crisis, a need for ongoing funding to provide services after one-time state and federal funds expire, and the challenges of funding a desperately needed harbor restoration project.

The economic challenges are combined with a severe shortage of employees to fill open positions throughout the country, and while not felt in Depoe Bay at this time, with some employees nearing retirement, succession planning has begun.

Inflation rates have increased and supply chain issues continue to impact the ability to buy certain goods and products such as pipe and other items to maintain City infrastructure.

Governmental Accounting

City government accounting utilizes various funds for budgetary and accounting purposes. The General Fund houses the City's general operations, including City administration, land use and planning, parks and recreation, emergency services, and Salmon Enhancement. The Transient Room Tax Fund can be used only for tourism promotion and facilities, as well as prorated use of facilities by tourists. The Street Fund receives direct revenues from state and local gas taxes that must be used for street and non-motorized activities. Likewise, the Water Fund and Wastewater Fund use revenues from customer rates to fund just those operations. Any revenues collected from designated sources may not be used for general purposes. The budget also includes the operating and debt funds for the Urban Renewal District.

REVENUES

Government Funds: State Revenue Share (Cigarette, Liquor, Highway/Gas Taxes) proposed revenues are based upon per capita estimates provided by the League of Oregon Cities (LOC). The population used is 1,566.

Proprietary Funds: Pursuant to Res. 377 (Oct 2007), moorage fees are increased annually based upon US City Average CPI-U, with the increase restricted to not less than 3% nor more than 5%, the increase for 2023-24 is 3%. Sewer and Water customer rates reflect increases effective July 1, 2023 pursuant to the rate schedule in Ordinance No. 513-21 (September 2021). Sewer rate increase is \$7.11/month/EDU (from \$44.40 to \$51.51) plus an additional 75¢ per kgal usage (from \$4.71 to \$5.46) and Water rate increase is \$3.72/month/EDU (from \$53.24 to \$56.96) plus an additional 28¢ per kgal usage (from \$4.01 to \$4.29). System Development Charges (SDC) reflect the annual adjustment based upon the Construction Cost Index prior year inflation rate. This year's increase is 4.8%.

EXPENDITURES

Personal services Proposed budget figures reflect a 6% COLA (US CPI-UB/C). A 5% (maximum) pro-rated merit increase for each position is included except in cases where the cap salary is met. Funding for a Temporary/ Seasonal employee is included in the proposed budget. The State Unemployment Insurance rate is 0.027% for 2023. Workers Compensation Insurance rates are estimated to increase by 2.48%. The proposed budget includes a decrease to the "pure" Workers Compensation premium due to the City's experience modification factor (EMF) of .77. In keeping with adopted policy, all of the estimated savings resulting from the EMF below 1.00 are included in the proposed budget as a Personal Services Safety Incentive line item. Effective Jan 2024, existing health insurance rates are estimated to increase (NTE), medical 5%, vision 0%, dental 0%. There is no rate change for Short Term Disability or employee Long Term Disability Insurance. The City's PERS employer contribution rates, in effect July 1, 2021 to June 30, 2023 are 25.18% - Tiers 1 & 2 and 20.67% - Oregon Public Service Retirement Plan (OPSRP). Advisory rates for 2023-2025 are 28.14% - Tiers 1&2 and 22.08% - OPSRP.

Materials & Services Operating expenses for materials and services line-item proposed amounts are determined by considering current and prior year costs, projected changes for the upcoming year, and input from staff.

Capital Outlay Improvements, Land and Equipment Purchases are identified in respective funds. Former reserve funds are included in Capital Outlay appropriations in respective funds.

URBAN RENEWAL

The biggest update to this fund is the potential proposed allocation of 1,200,000 million to the Harbor Restoration Project as noted below. If the funds are determined not to be necessary, the Urban Renewal Agency will need to address new allocations.

INTERFUND TRANSFERS, TRANSFERS-URBAN RENEWAL AGENCY

Proposed inter-fund transfers include transfers from the Urban Renewal Agency Fund to the Harbor Fund for the Harbor Restoration project to address the project shortfall

should legislative funds not be received. Other proposed transfers include: transfer from the Transient Room Tax Fund to General Fund to fund General Fund activities.

The budget meeting(s) will provide a forum for discussion of the budget and for development of fiscal policies and program directions as needed. Matters other than those mentioned above will be discussed as the budget meeting progresses.

Respectfully Submitted,
Kimberly Wollenburg, Budget Officer

Dated: May 2, 2023

NOTICE OF BUDGET HEARING

A public meeting of the Depoe Bay Urban Renewal Agency will be held in-person and virtually on June 26, 2023 at 5:00 pm. Visit www.cityofdepoebay.org for more information and how to join the virtual meeting. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2023 as approved by the City of Depoe Bay Urban Renewal Budget Committee. A summary of the budget is presented below. A copy of the budget, as well as this notice, may be inspected or obtained at City Hall, 570 SE Shell Avenue, Depoe Bay Oregon, between the hours of 8 a.m. and 4 p.m. or online at www.cityofdepoebay.org. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Kimberly Wollenburg, City Recorder

Telephone: 541-765-2361

Email: recorder@cityofdepoebay.org

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amounts 2021-22	Adopted Budget This Year 2022-23	Approved Budget Next Year 2023-24
Beginning Fund Balance/Net Working Capital	1,090,574	1,211,000	180,971
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	7,745		5,000
Federal, State & All Other Grants, Gifts, Allocations & Donations			
Revenue from Bonds & Other Debt			
Interfund Transfers / Internal Service Reimbursements		700,000	1,600,000
All Other Resources Except Current Year Property Taxes	444		500
Current Year Property Taxes Estimated to be Received	287,487	255,000	275,000
Total Resources	1,386,250	2,166,000	2,061,471

FINANCIAL SUMMARY-REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	332	12,000	5,000
Materials and Services	1,679	5,000	10,800
Capital Outlay			
Debt Service			
Interfund Transfers		1,090,000	
Contingencies		293,000	5,000
Unappropriated Ending Balance and Reserved for Future Expenditure		766,000	2,040,671
Total Requirements	2,011	2,166,000	2,061,471

FINANCIAL SUMMARY-REQUIREMENTS AND FULL TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program FTE for Unit or Program			
General Fund			
FTE			
Street Fund			
FTE			
Harbor Fund			
FTE			
Sewer Utility Fund			
FTE			
Water Utility Fund			
FTE			
Non-Departmental		2,166,000	2,061,471
FTE		0	0.20
Total Requirements		2,166,000	2,061,471
Total FTE		0.20	0.20

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Bulk of reserves set aside for use to provide the shortfall funds needed to complete the Harbor Restoration project pending legislative decision. If funds not allocated to the project, funds will be available for Urban Renewal projects.

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2021-2022	Rate or Amount Imposed 2022-2023	Rate or Amount Approved 2023-2034
Permanent Rate Levy (rate limit _____ per \$1,000)			
Local Option Levy			
Levy For General Obligation Bonds			

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds		
Other Bonds		
Other Borrowings		
Total	\$0	\$0

RESOURCES
Urban Renewal Project Fund
(Fund)

Depoe Bay Urban Renewal Agency
(Name of Municipal Corporation)

Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2023-24		
Actual		Adopted Budget This Year Year 2022-23	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2020-21	First Preceding Year 2021-22						
1			400,000	400,000	400,000	400,000	
2		571,000					
3							
4	253	162	200	200	200	200	
5							
			1,600,000	1,661,271	1,661,271	1,261,271	
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29	253	162	2,000,200	2,061,471	2,061,471	1,661,471	
30							
31							
32	253	162	2,000,200	2,061,471	2,061,471	1,661,471	

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*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

Urban Renewal Project Fund

Depoe Bay Urban Renewal Agency
(name of Municipal Corporation)Page 2 of 4

REQUIREMENTS SUMMARY
NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM
Urban Renewal Project Fund
(name of fund)

Depoe Bay Urban Renewal Agency
(name of Municipal Corporation)

Historical Data				REQUIREMENTS DESCRIPTION	Budget For Next Year 2023-24		
Actual		Adopted Budget This Year 2022-23	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2020-21	First Preceding Year 2021-22						
1				PERSONNEL SERVICES NOT ALLOCATED			1
2							2
3							3
4	0	0	0	TOTAL PERSONNEL SERVICES	0	0	4
5				Total Full-Time Equivalent (FTE)			5
6				MATERIALS AND SERVICES NOT ALLOCATED			6
7							7
8							8
9	0	0	0	TOTAL MATERIALS AND SERVICES	0	0	9
10				CAPITAL OUTLAY NOT ALLOCATED			10
11							11
12							12
13	0	0	0	TOTAL CAPITAL OUTLAY	0	0	13
14				DEBT SERVICE			14
15							15
16							16
17	0	0	0	TOTAL DEBT SERVICE	0	0	17
18				SPECIAL PAYMENTS			18
19							19
20							20
21	0	0	0	TOTAL SPECIAL PAYMENTS	0	0	21
22				INTERFUND TRANSFERS			22
23	143,030		150,000	To City General Fund (repay SOB ODOT funds)		256,545	256,545
24	157,336		250,000	To City Harbor Fund		500,000	500,000
25			200,000	To City Street Fund			25
26				To City Parks Fund			26
27							27
28	300,366	0	600,000	TOTAL INTERFUND TRANSFERS	0	256,545	756,545
29		8,800	83,000	OPERATING CONTINGENCY	5,000	5,000	100,000
30	571,000	571,000	571,000	RESERVED FOR FUTURE EXPENDITURE	1,986,800	2,048,072	744,000
31				UNAPPROPRIATED ENDING BALANCE	1,600	1,600	25,126
32	871,366	579,800	554,000	Total Requirements NOT ALLOCATED	1,993,400	2,311,217	869,126
33	5,527		17,000	Total Requirements for ALL Org.Units/Programs within fund	6,800	6,800	35,800
34	716,725			Ending balance (prior years)			34
35	1,593,618	579,800	571,000	TOTAL REQUIREMENTS	2,000,200	2,318,017	1,661,471

RESOURCES AND REQUIREMENTS

Urban Renewal Debt Service Fund					Depoe Bay Urban Renewal Agency				
(Fund)					(Name of Municipal Corporation)				
Historical Data			DESCRIPTION OF RESOURCES AND REQUIREMENTS		Budget for Next Year 2023-24				
Actual		Proposed By Budget Officer			Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2020-21	First Preceding Year 2021-22						Adopted Budget This Year 2022-23		
1			1	Resources				1	
2			2	Beginning Cash on Hand (Cash Basis), or		1,380,971	1,380,971	980,971	
3	1,090,574	1,068,179	3	Working Capital (Accrual Basis)					
4		7,745	4	Previously Levied Taxes to be Received		5,000	5,000	5,000	
5	175	191	5	Interest		300	300	300	
6			6	Transferred from Other Funds					
7	1,090,749	1,076,115	7	Total Resources, Except Taxes to be Levied		1,386,271	1,386,271	986,271	
8			8						
9	272,684	287,847	9	Taxes Estimated to be Received *		275,000	275,000	275,000	
10			10	Taxes Collected in Year Levied					
11	1,363,433	1,363,961	11	TOTAL RESOURCES		1,661,271	1,661,271	1,261,271	
				Requirements					
				Bond Principal Payments					
12			12	Bond Issue	Budgeted Payment Date				
13			13						
14			14						
15			15						
16	0	0	16	Total Principal		0	0	0	
				Bond Interest Payments					
17			17	Bond Issue	Budgeted Payment Date				
18			18						
19			19						
20			20						
21	0	0	21	Total Interest		0	0	0	
				Unappropriated Balance for Following Year By					
22			22	Bond Issue	Projected Payment Date				
23			23						
24			24						
25			25						
26			26	Ending balance (prior years)					
27		176,938	27	Total Unappropriated Ending Fund Balance		61,271			
28			28	Transfer to Urban Renewal Fund Budget		1,600,000	1,600,000	1,261,271	
29			29	Tax Credit Bond Reserve					
30	0	176,938	30	TOTAL REQUIREMENTS		1,661,271	1,600,000	1,261,271	

*If this form is used for revenue bonds, property tax resources may not be included.

150-504-035 (Rev 10-16)