



City of Bandon

PROPOSED 2023-2024 BUDGET

Overall picture for the future

- ▶ Positives:

- ▶ Hotel growth.
- ▶ TOT revenue.
- ▶ Still holding costs below comparable cities.
- ▶ Improved Bond Rating from Moody's

- ▶ Negatives:

- ▶ Current charter system prevents the city from taking advantage of funding programs.
- ▶ May ultimately lead to development moratorium.



Upcoming Issues



- ▶ Sustainable Revenue Streams
- ▶ Out of city cost equity
- ▶ Backup and emergency water supply
- ▶ Ongoing housing availability and affordability issues
 - ▶ Central Site
 - ▶ ARPA funds, and possibly UR-2 funds available
- ▶ Utility cost and revenue issues
 - ▶ This budget assumes rates will pass



Policies and Priorities



- Continue to build reserves
 - Fewer reserves this year
- Gorse mitigation
 - Now working on the bluff (District 3)
 - Slight increase in budget
- Programming of supplemental lodging tax
 - Must go to tourism promotion and tourism related facilities
- Citizen's priorities from survey:
 - Public safety
 - Community Appearance

Revenue Stabilization Fund(Reserve)

- ▶ Fund when revenue exceeds projections, up to 25% of General Fund Expenditures
- ▶ Initial funding: \$600,000
 - ▶ 450k
 - ▶ 150k PERS Reserve
- ▶ Only \$23,000 added to the fund for 23-24 budget year
- ▶ Was a significant factor in Moody's Rating Increase

Key Changes

One-Time Proposed Changes

Playground Equipment	\$ 46,210	ARPA
Wastewater Clarifier	\$ 30,000	ARPA
Heater for Wastewater Plant	\$ 10,000	ARPA
AEDs and Narcan	\$ 16,000	General Fund
Computers/Tablets/Evidence Scanner	\$ 8,000	General Fund
Utility Management Software	\$ 120,000	Electric

Ongoing Proposed Changes

Fifth Patrol Officer	\$ 116,112	General Fund
Utility Worker	\$ 101,205	Electric
Sprague Theater Manager	\$ 80,000	General Fund

Enterprise fund issues

- ▶ Rates are not covering costs. Inflation impacts us all and is impacting utilities particularly hard.
- ▶ There is little reason for taxpayers to provide services at a loss.
- ▶ If not corrected, this will lead to:
 - ▶ Reduced services, declining appearance and reduced public safety if taken from the general fund.
 - ▶ Reduced reliability of our electric system. Power will be out more often, and for longer periods.
 - ▶ Consideration of selling the City's utilities to a third party.



Fund Types

- ▶ General Fund
- ▶ Special Revenue Funds
- ▶ Enterprise Funds
- ▶ Capital Funds
- ▶ Debt Service Funds

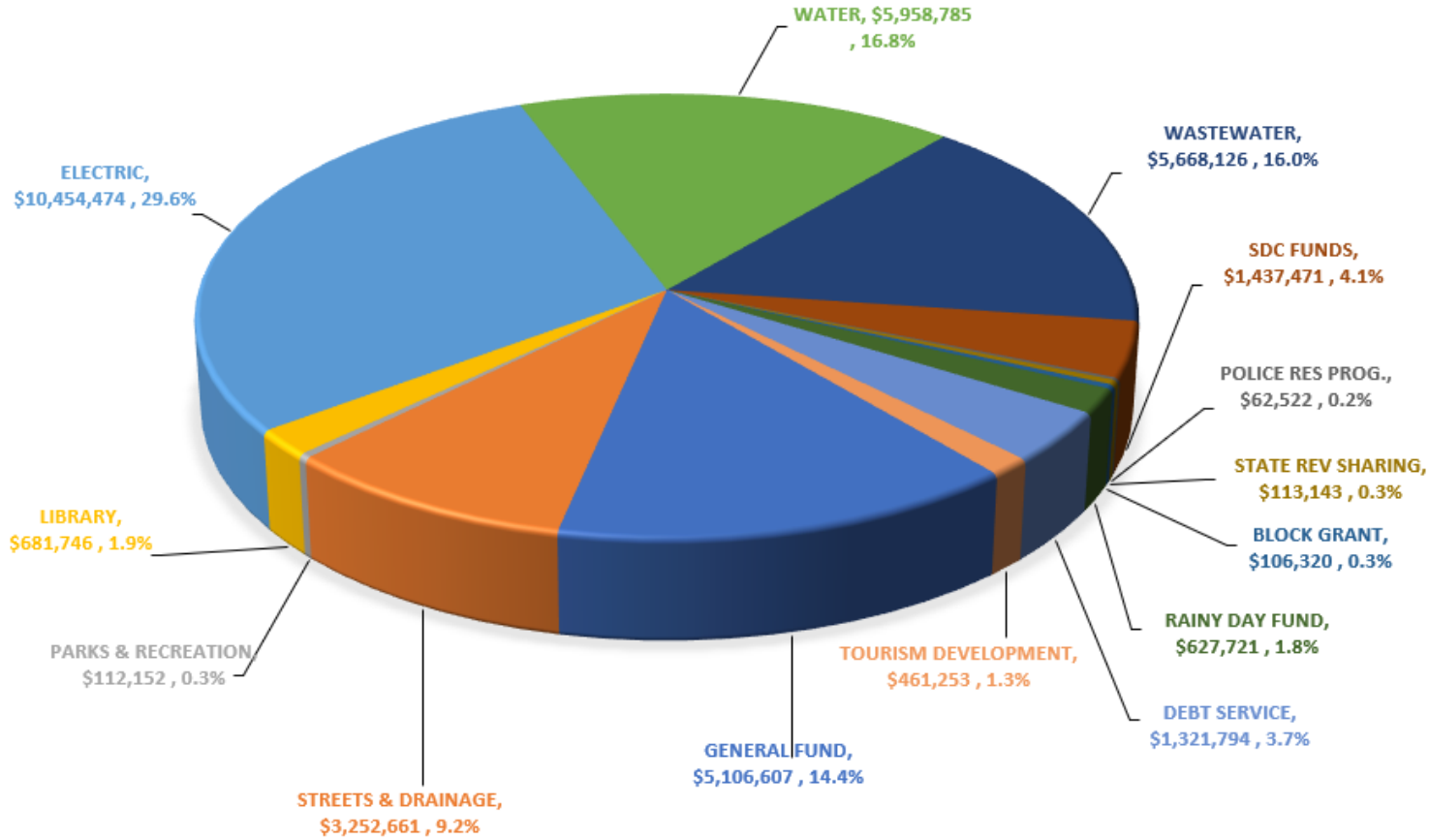


Definitions.....



- ▶ Budget – Plan of financial operation for the City of estimated revenues (income) and expenditures (expenses).
- ▶ Proposed Budget – Budget formally submitted by the City Manager to the City Council for consideration.
- ▶ Adopted Budget – The budget formally adopted by City Council for the upcoming fiscal year.
- ▶ Fiscal Year – The 12-month period during which the annual operation budget applies – July 1st to June 30th.
- ▶ Appropriation – Legal authorization of funds approved by City Council for budget revenues and expenditures.

FY 2023-24 EXPENDITURES BY PROGRAM



Total Expenditures by Program

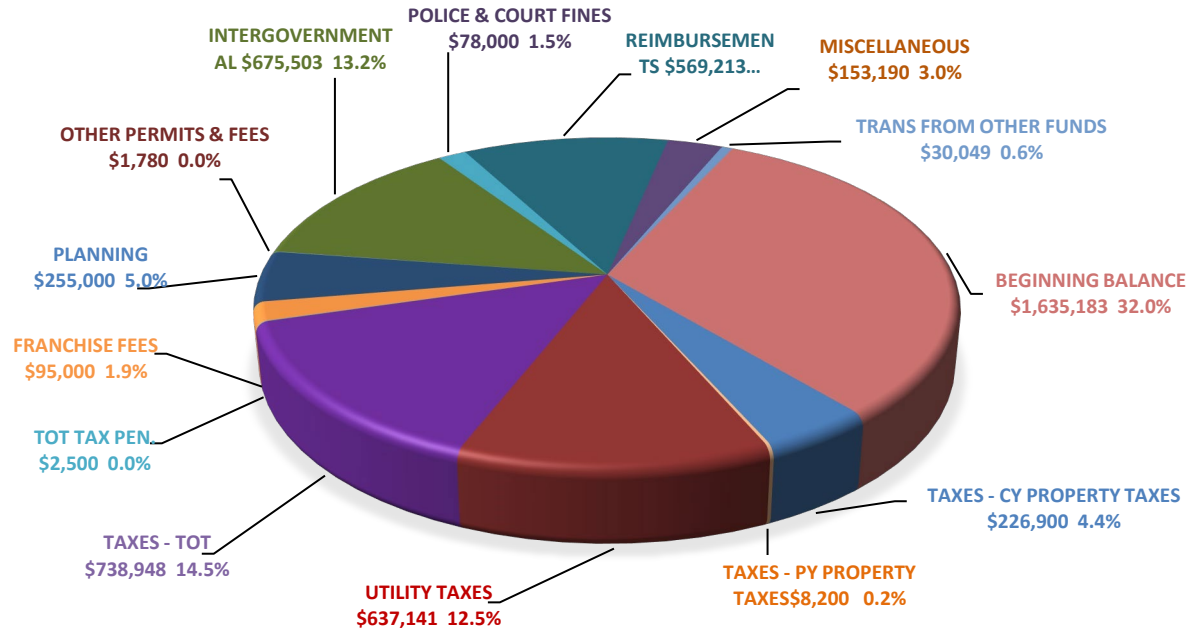
TOTAL BUDGET

- ▶ This year: \$35,364,775
- ▶ Last year: \$32,071,085

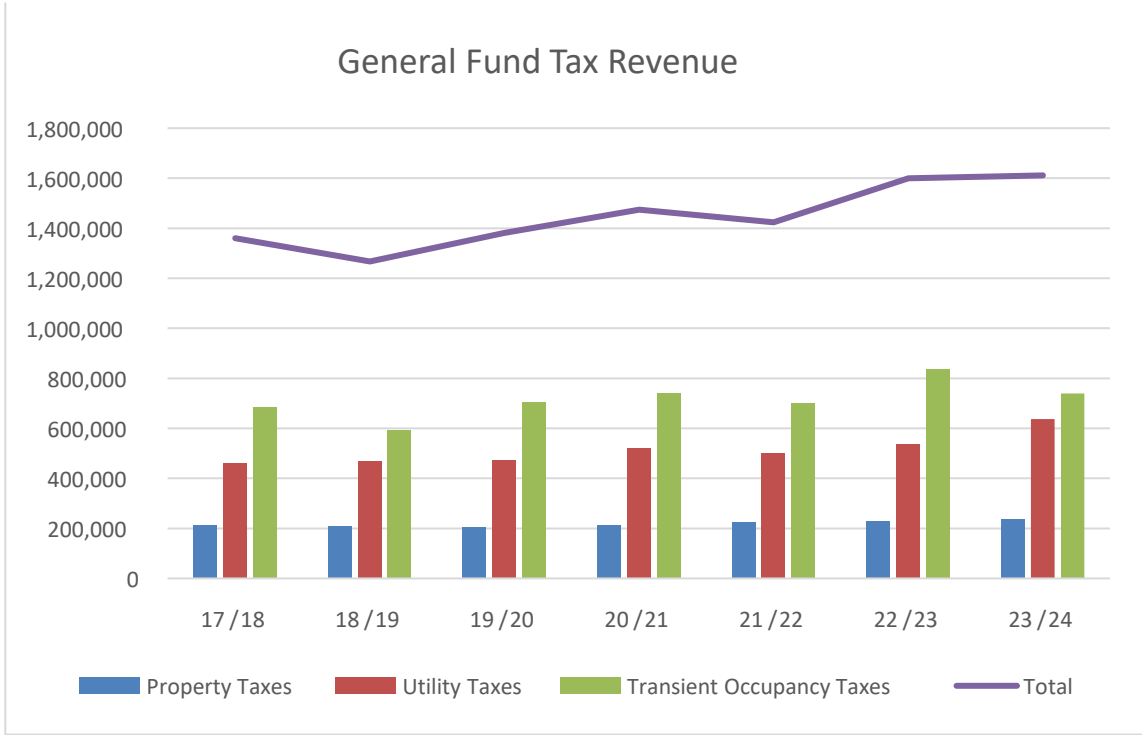
TOTAL STAFF

- This year: 39.5
- Last year: 37.5

FY 2023-24 GENERAL FUND REVENUES BY SOURCE



Sources of General Fund Revenue



GENERAL FUND

TOTAL GENERAL FUND
\$4,836,025

General Fund- Administration

- 2023-24 \$355,482
- Last Year \$306,282
- The City's general administration expenses are charged to the General Fund (100) and Enterprise Funds [Electric Fund (910), Water Fund (940), and Sewer Fund (950)], with 75% of the operational costs paid by those utilities to cover their share of administrative expenses.

General Fund – Accounting and Billing

- Total Budget \$413,174
- Last Year \$361,118
- Finance Department expenses are charged to the General Fund (100) and Enterprise Funds [Electric Fund (910), Water Fund (940), and Sewer Fund (950)], with 90% of the operational costs paid by those utilities to cover their share of the accounting and utility billing expenses.
- FY 22-23 Accomplishments:
 - Implemented major change to how expenses and revenue are accrued.



Police



- ▶ Total Budget \$1,518,442
- ▶ Last Year \$1,306,969
- ▶ Department funded by General Fund – Property Tax, Transient Occupancy Tax and Utility Taxes
- ▶ Seven uniformed officers and clerk. Bandon has “working” chief.
- ▶ Two new police vehicles from ARPA and savings
- ▶ Adding one full-time patrol officer

Parks– General Fund

- ▶ Total Budget \$328,859
- ▶ Last Year \$242,395
- ▶ Lack of dedicated funding source is key issue.
- ▶ Ongoing issue is funding for maintenance.
- ▶ High priority for the community.
- ▶ Park hosts are paid to do additional maintenance.
- ▶ Additional amounts are primarily planning and playground equipment grants.
- ▶ Recommend using State Revenue for one-time playground base.



Community Beautification

- ▶ This Year \$62,317
- ▶ Last Year \$52,131
- ▶ The Community Beautification Fund derives its revenues from the garbage franchise fees paid by the garbage franchisee, 100% of which are deposited into this Fund. Most of the annual revenues are budgeted for *Contractual Services* to pay an outside contractor to provide landscaping maintenance services for a number of public areas including City Hall, the Visitor Information Center, the Fire Memorial, Old Town parking lot and Pedway, the Welcome-to-Bandon entrance signs, City Park entrance triangles, the Library, and the Community Center (Barn) and parking lot islands. This year we are adding funds for Gorse Mitigation.

Planning Department

- ▶ Total Budget \$359,445
- ▶ Last Year \$246,370
- ▶ Planning costs are now fully accounted for within the department, with transfers in from other departments to reflect actual expenses.
- ▶ Projected revenue from fees is down due to building slowdown. Additional expenses are principally from grants.

Community Center

- ▶ Total Budget \$83,755
- ▶ Last Year \$76,274
- ▶ Revenue \$21,000
- ▶ Also supported by General Fund, Urban Renewal District 2, Public Works.



Sprague Theater



- ▶ Total Budget \$116,000
- ▶ Last Year \$35,500
- ▶ Revenue \$ 7,800
- ▶ Grants \$11,926
- ▶ Budget assumes half-time manager.
- ▶ Capital replacement costs and maintenance for the Sprague exceed \$125,000 per year.

Fire

- ▶ Contracted to Bandon Rural Fire Protection District
- ▶ Indexed to City's total taxable assessed valuation
- ▶ This year: \$127,747

Special Revenue Funds

- ▶ State Shared Revenue
- ▶ Shared with outside organizations

Tourism Development Fund

- ▶ Dedicated fund for tourism promotion and tourism-related facilities.
- ▶ Current balance is \$461,253
- ▶ Policy question regarding balance between promotion and facilities.

Block Grant Fund - 410

- ▶ Provides small business loans
- ▶ \$106,320 available currently
- ▶ 8 active loans in the fund

Enterprise Funds



WATER



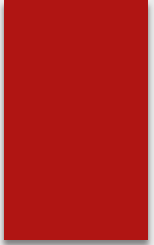
SEWER



ELECTRIC



Water Department

- ▶ This year \$1,373,545
 - ▶ Last year \$1,373,662
 - ▶ Key Issues:
 - ▶ Rates insufficient to cover costs
 - ▶ Should also have operating reserves and contingency
 - ▶ Water Plant Improvement Fund (941) tracks the capital expenditures that are completed using the base-rate increase that voters approved in November of 2016 election. Some capital expenditures are also budgeted from the Water SDC Reimbursement Fund (720), and the Water SDC Improvement Fund (721).
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Sewer Department

- ▶ This Year \$1,345,503
- ▶ Last Year \$1,180,501
- ▶ Key Issues:
 - ▶ Identical to Water Department
 - ▶ Some capital expenditures are also budgeted from the Sewer SDC Reimbursement Fund (730), and the Sewer SDC Improvement Fund (731).

Electrical Department



This year \$10,454,474



Last year \$9,236,962



Key Issues include inflation and lead times



Doing capital facilities plan and cost of service study



Reserve of \$1,296,139
(down from \$1.7 mm last year)

Streets



Variety of fund sources



Street SDC Reimbursement Fund (710), Street SDC Improvement Fund (711), Storm Drainage SDC Reimbursement Fund (715), Storm Drainage SDC Improvement Fund (716), and Local Option Street Tax Fund (750).

Total Streets: Available: \$1,738,735 (plus \$2.33 mm reserve)

Parks Development Fund (Consulting and Acquisitions)



THIS YEAR \$54,440



LAST YEAR \$50,792



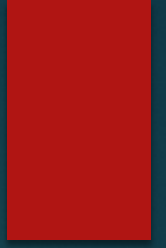
PARKS ALSO SUPPORTED BY URBAN
RENEWAL DISTRICTS, GENERAL FUND
AND COMMUNITY BEAUTIFICATION
FUND.

Library

- ▶ This year \$584,272
- ▶ Last year \$518,983
- ▶ Change to distribution formula
- ▶ Consists of two funds
- ▶ Library also supported by General Fund: HR, Accounting and Admin,
- ▶ Library Fund (230) funds operations from a County Library District,
- ▶ Memorial Fund (220) serves as a reserve of \$94,474



Questions?



Bandon Urban Renewal Agency



- ▶ Key issue for both Districts is to update Urban Renewal Plans.
 - ▶ District One
 - ▶ District Two

District One

- ▶ Revenue is \$368,791 per year
- ▶ Total Resources \$922,200
- ▶ Completed parking lot at 3rd and Filmore
- ▶ Need to update Urban Renewal Plan

District Two

- ▶ Revenue per year \$175,582
- ▶ Capital Expenses \$978,016
- ▶ Renovation of Sprague Theater and Barn Roof Repair
 - ▶ Sprague Roof \$286,700
 - ▶ Barn Roof \$65,320
- ▶ Need to do siding at Sprague
- ▶ Playground, City Park, Housing etc.

Questions?

