

CITY OF SILVERTON
BUDGET COMMITTEE MEETING
Monday, December 18, 2023 – 6:30 p.m.

Council Chambers – 421 South Water Street and Zoom

Americans with Disabilities Act – The City of Silverton intends to comply with the A.D.A. The meeting location is accessible to individuals needing special accommodations such as a sign language interpreter, headphones, or other special accommodations for the hearing impaired. To participate, please contact the City at 503-874-2216 at least 48 hours prior to the meeting.

A copy of the full packet is available on the City's website at <https://silverton.or.us/meetings>. In accordance with House Bill 2560 and City of Silverton Resolution 22-06, the meeting will be held in a hybrid format: in person, and electronically using the Zoom web conference platform. If you wish to participate through the Zoom web conference platform, see meeting information below.

Zoom meeting link:

<https://us02web.zoom.us/j/89827493938?pwd=cm1OZGtpKzJMWmNVdmhPSDZKL2pUQT09>

Webinar ID: 898 2749 3938

Passcode: 693800


AGENDA

- I. OPENING CEREMONIES – Call to Order, Pledge of Allegiance and Roll Call**

- II. DISCUSSION ITEMS**
 - 2.1 Review of the Fiscal Year 2023-2024 Budget as of November 2023**

- III. ADJOURNMENT**

**SILVERTON BUDGET COMMITTEE
STAFF REPORT**

	Agenda Item No.:	Topic:
	2.1	Review of the Fiscal Year 2023-2024 Budget as of November 2023
	Agenda Type:	
	Discussion	
	Meeting Date:	
December 18, 2023		
Prepared by:	Reviewed by:	Approved by:
Kathleen Zaragoza	Kathleen Zaragoza	Cory Misley

Background:

The Budget Committee met on April 27, 2023, the Budget Committee passed motions to approve the budget as modified by the Budget Committee, the amount to be levied for the local option levy and the tax rate to impose for general purposes.

The Council met on June 26, 2023, and took formal action to allow for public input, adopt the budget and to determine the amount of taxes to impose for the various tax categories and provide expenditure appropriations as listed in Resolution No. 23-16.

The review provided is for the five months of the current fiscal year. This point in the budget means about 42% of the fiscal year has elapsed. Some expenditures may be greater than 42% expended depending on the type of expenditures and various obligations.

Budget Impact	Fiscal Year	Funding Source
NA	2023-2024	N/A

Attachments:

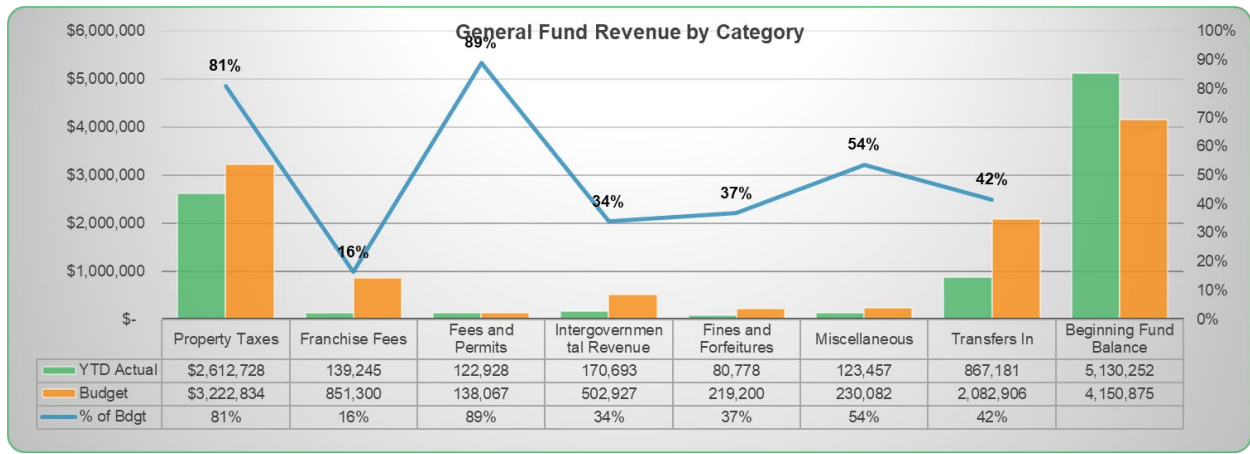
1. Review of the operating budgets for the City

City of Silverton

Mid Year Budget Review for the 5 Months Ended November 30, 2023

General Fund			
METRIC	BUDGET	YTD ACTUAL	VARIANCE
Revenue*	\$11,398,191	\$9,247,262	81.13%
Expenses*	\$11,398,191	\$2,901,473	25.46%

Revenues



Property Taxes – The taxes collected in the General Fund are property taxes collected for general purposes. This is based on a rate fixed rate of \$3.6678 per \$1,000 of assessed property value. The assessed value cannot increase by more than 3% each year unless there is a major improvement to the location. The taxes also must be within the Measure 50 rules. Additional levies can be approved but only after meeting certain criteria. The City also must budget revenues based on collections less the discount and potential uncollected taxes. Most of this revenue source is received in November.

Franchise Fees – Franchise fees are typically remitted to the City on a quarterly basis. There is one franchisee who pays a portion of the fees on an annual basis. Franchise fee rates range from 4% to 7% of the franchisee’s gross revenue.

Fees and Permits – These are fees charged to cover the cost of providing services to customers. The two primary revenue sources within this category are for business licenses and for reservoir parking permits. The business licenses are billed in November and are due by January 1st of the following year. The reservoir parking permits can either be an annual permit or a daily parking permit. Most of the parking revenue is received in the months of June through August.

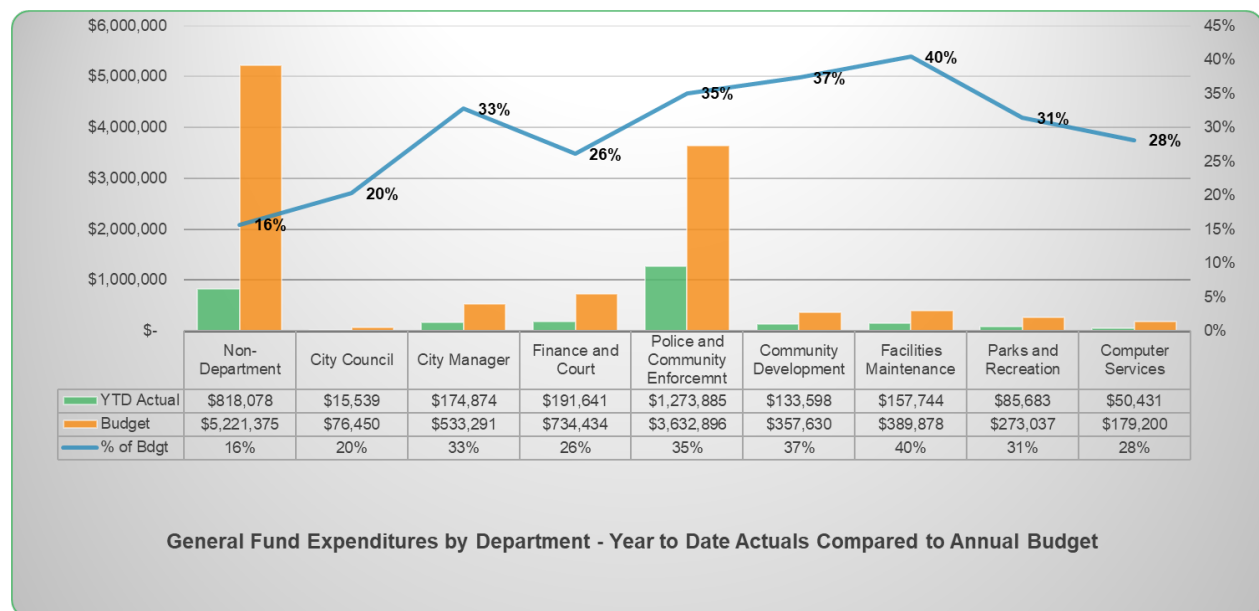
Intergovernmental Revenue – Intergovernmental revenue includes revenues collected or assessed by the State or other governmental agencies and passed through to the City. Most intergovernmental revenue is received monthly however the state shared revenue and marijuana taxes are received quarterly. The intergovernmental grants and SRO support are received based on actual expenditures and the applicable agreements.

Fines & Forfeitures – This revenue source is generated through municipal court. Silverton’s court only handles traffic violations and City Ordinance violations. The City utilizes a collection agency and the Department of Revenue to help collect fines that become delinquent.

Miscellaneous – This revenue category’s main revenue is from interest earned and parking meter collections. Most of the excess cash is held at the Local Government Investment Pool (LGIP) which provides interest earnings and accessible cash resources when needed. The interest rate at the LGIP for November 2023 was 5%.

Transfers In – These are revenues from other operating funds for which the General Fund programs such as Finance have provided a service. Other transfers in may be due to closing a fund that is deemed no longer necessary.

Expenditures



Non-Departmental – This department accounts for expenditures that are not related to a specific department or fund. This department includes expenditures for liability and property insurance, legal costs, audit services and for all transfers out. This is also where contingency and reserves for future expenditures are budgeted. For the materials and services portion of the budget it is 45% expended.

City Council – This department covers Council training; community programs and has funding available for the Mayor’s Ball. There was an unexpected expenditure related to the recruitment of the current City Manager.

City Management – This department accounts for costs for the City Manager and the administration staff. It also covers quarterly publications and other human resource related functions. This department is 33% expended.

Finance – This department handles all the financial functions of the City, all court related functions and pays for the financial software used by the City and the judges’ fees.

Police Department – This department includes all costs for administration and operations staff, 19 full time equivalent (FTE). It also covers dispatching, training, and vehicle costs.

Community Enforcement – This was increased to 1.14 FTE and handles both code enforcement and parking related functions.

Community Development – This department is responsible for all planning related functions for the City. One new item in the budget was for a wetland analysis study and it has been started.

Facilities Maintenance – This department accounts for costs of maintaining the City Hall, Community Center, and other leased facilities. This department is also accounting for the grant related to the Transitional Housing project. Uncertainties for this department will be upcoming costs for the Civic Center.

Parks and Recreation – This department covers some of the staffing costs for park maintenance. The other fund that provides funding for staffing and maintenance is the Park Fee Fund. One major improvement budgeted is for the removal of broken curbs and the installation of new curbs at Coolidge Park turn-around.

Computer Services – This department covers computer related costs that cannot clearly be charged to another fund or department. The only equipment that would be purchased from this department would be servers or network-related items. This year the City upgraded to Microsoft 365 which will be an annual cost as it is subscription-based software. One capital item budgeted is for a new network server.

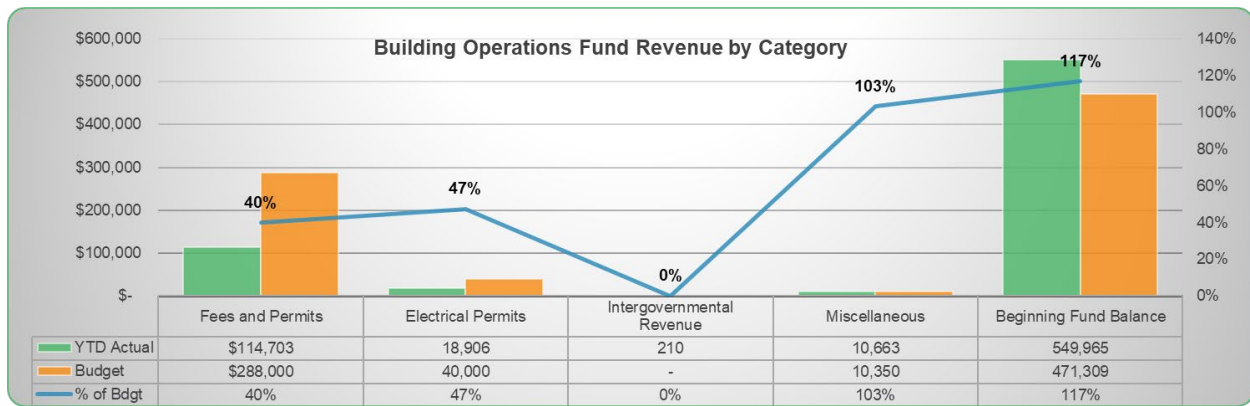
Contingency – The contingency has been reduced by \$5,348 due to a change in the landscaping for the Civic Building.

BUILDING OPERATIONS FUND

Mid Year Budget Review for the 5 Months Ended November 30, 2023

Building Operations Fund				
METRIC	BUDGET	YTD ACTUAL	VARIANCE	
Revenue*	\$809,659	\$694,447	85.77%	
Expenses*	\$809,659	\$229,058	28.29%	

Revenues



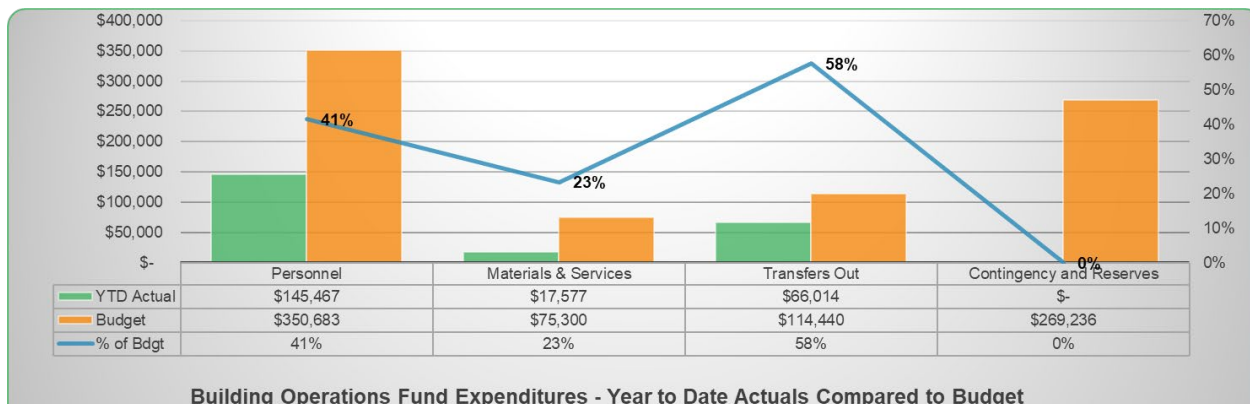
Fees and Permits – These are fees charged to cover the cost of providing services to customers. The fees collected in this fund can only be used for inspection services. City staff handles building related inspections and electrical inspections are contracted out.

Intergovernmental Revenue – Intergovernmental revenue includes revenues collected when the City provides inspection services to another entity. The City has an intergovernmental agreement with Marion County and with the City of Woodburn to either assist or provide inspection services when necessary.

Miscellaneous – This revenue category’s main revenue is from interest earnings.

Beginning Fund Balance – This revenue item is \$78,656 greater than budgeted.

Expenditures



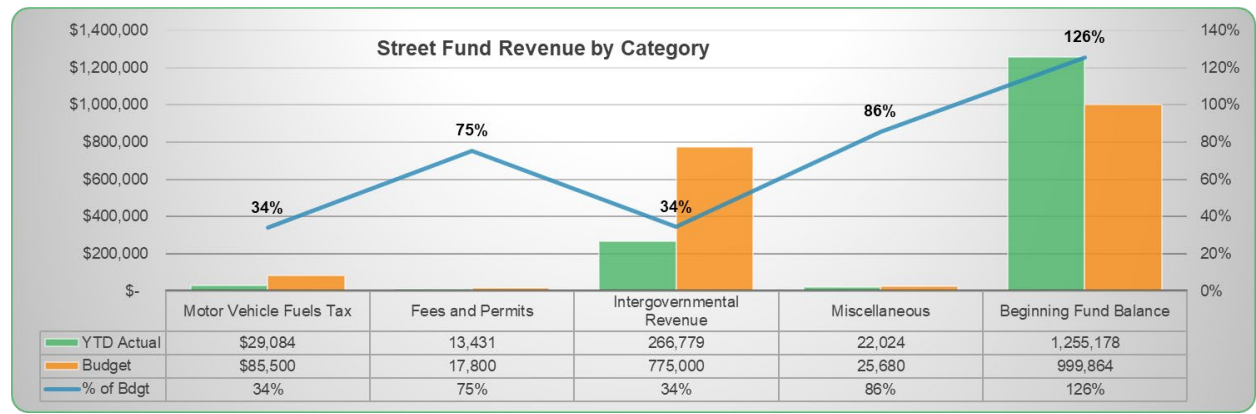
Inspection Services – This program covers all personnel and contracted costs to provide both building inspections and electrical inspections. The program provides funding for 2.70 FTE. The information above shows the breakout of personnel and materials and services for this program. Marion County receives 80% of the electrical permit fees and performs the electrical related inspections. For this fund, revenues are collected, and the related inspection services are performed later so a healthy contingency and reserve are important to have funding in place for the future inspection services.

Transfers Out – This portion of the budget covers transfers to the General Fund for financial and administrative services provided. The other transfers are for a percentage of the debt for the PERS bond and to move funds to the Fleet Replacement Fund for replacing the vehicles used to provide the inspection services.

STREET FUND

Mid Year Budget Review for the 5 Months Ended November 30, 2023			
Street Fund			
METRIC	BUDGET	YTD ACTUAL	VARIANCE
Revenue*	\$1,903,844	\$1,586,496	83.33%
Expenses*	\$1,903,844	\$592,172	31.10%

Revenues



Taxes – This category is the 2 cents per gallon charged on fuel sold within Silverton City limits. These revenues help with planning and repair of City streets.

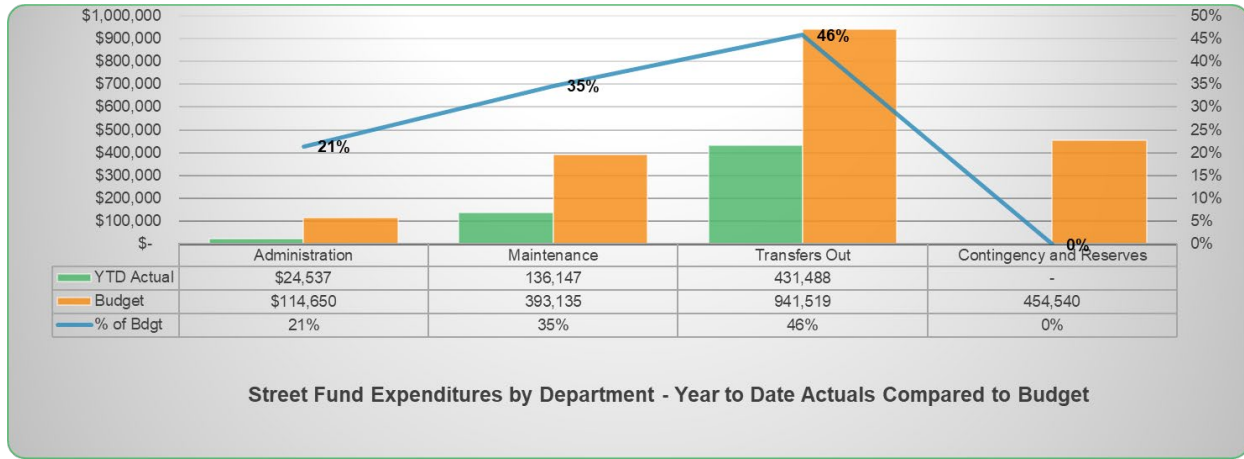
Fees and Permits – These revenues are fees charged for inspection and plan review fees as they relate to streets. The permits are related to driveway and sidewalk improvements or construction.

Intergovernmental Revenue – Intergovernmental revenue currently is only related to the state highway apportionment revenue received.

Miscellaneous – This revenue category’s main revenue is from interest earnings.

Beginning Fund Balance – This revenue is \$255,314 greater than budgeted.

Expenditures



Administration – This department handles all administrative functions for street related services such as budgeting, capital planning, inspections, and contract administration.

Maintenance – This department handles all maintenance related functions for streets. This includes street sweeping, street repairs, sign replacement and maintenance of unimproved streets owned by the City.

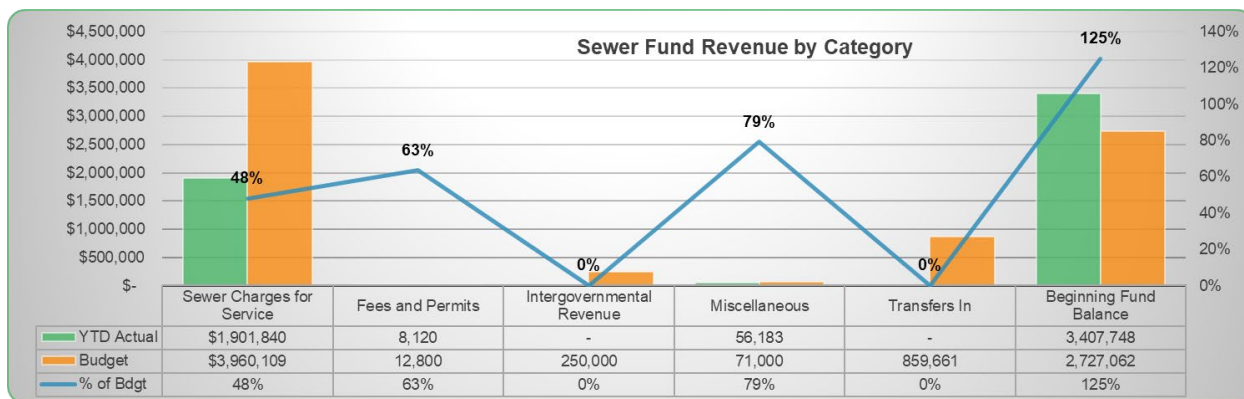
Transfers Out – This portion of the budget covers transfers to the General Fund for financial and administrative services provided. The other transfers are for a percentage of the debt for the PERS bond and to move funds to the Fleet Replacement Fund for replacing the vehicles used to provide the inspection services. This year’s budget also includes \$680,000 transfer to the Street CIP Fund for future street improvements.

SEWER FUND

Mid Year Budget Review for the 5 Months Ended November 30, 2023

Sewer Fund				
METRIC	BUDGET	YTD ACTUAL	VARIANCE	
Revenue*	\$7,880,632	\$5,373,891	68.19%	
Expenses*	\$7,880,632	\$2,304,364	29.24%	

Revenues



Sewer Charges for Service – These revenues are fees charged for customers to receive sewer services.

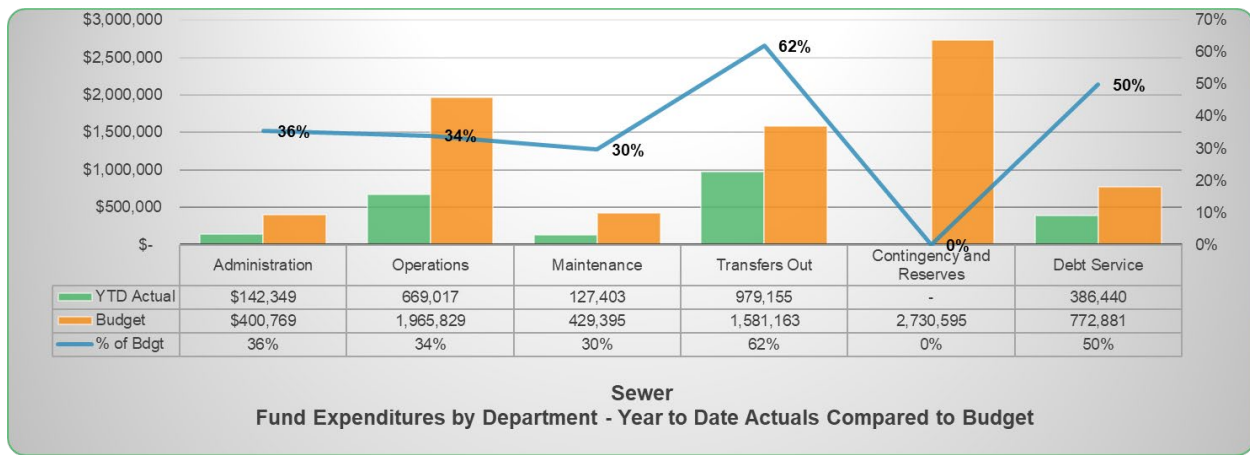
Fees and Permits – These revenues are for inspection or plan review services.

Intergovernmental Revenue – Intergovernmental revenue budgeted is from the Energy Trust of Oregon for improvements to the blower and instrumentation.

Miscellaneous – This revenue category’s main revenue is from interest earnings. It also includes \$7,500 rent paid by the Oregon Garden for lease of the property.

Beginning Fund Balance – This revenue is \$680,686 greater than budgeted.

Expenditures



Administration – This department handles all administrative functions for sewer related functions such as budgeting, capital planning and contract administration.

Operations – This department handles the operations of the sewer treatment plant and related maintenance. This includes working with contractors to dispose of bio-solids, maintaining the wetlands at the Oregon Garden and testing to assure the City is complying with regulations. Within this section there was budgeted \$731,200 for capital replacements or improvements and as of November \$189,707 has been expended of which the majority was for the painting and sealing of the buildings at the wastewater treatment plant.

Maintenance – This department handles all maintenance related functions for sewer lines. This includes repairing broken mains, handling slip line projects and other sewer maintenance.

Debt Service – This portion of the budget covers the repayment for debt incurred for capital improvements to the wastewater treatment plant. The debt was refinanced in a prior year to reduce the interest rate (to 3.497% and 3.375%) but kept the terms the same. The payments will also be the same each year as this is a loan and not a bond and are made in October and April of each year.

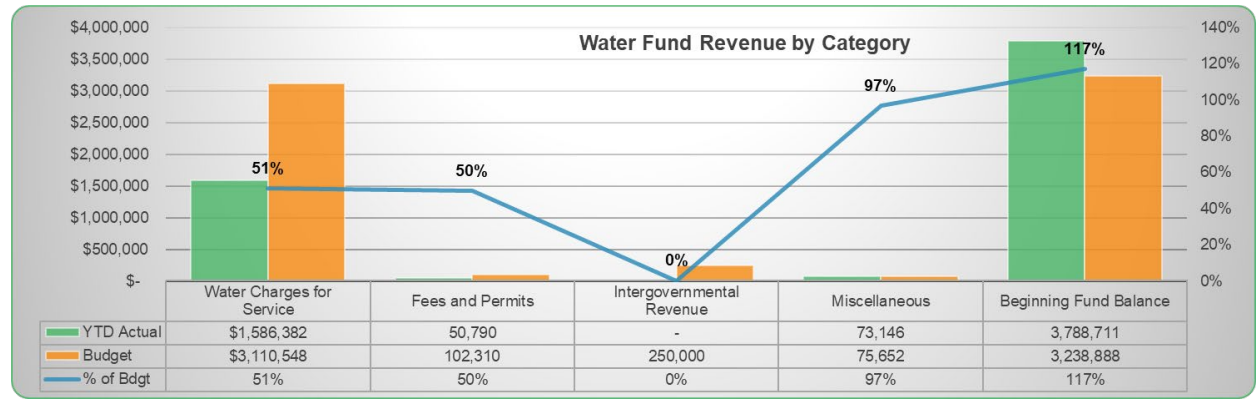
Contingency – The contingency has been reduced by \$107,910 to increase appropriation for the Digester Project.

Transfers Out – This portion of the budget covers transfers to the General Fund for financial and administrative services provided. The other transfers are for a percentage of the debt for the PERS bond and to move funds to the Fleet Replacement Fund for replacing the vehicles used by staff. This year’s budget also includes \$500,000 transfer to the Digester Project Fund to complete the dewatering project by installing the screw press.

WATER FUND

Mid Year Budget Review for the 5 Months Ended November 30, 2023			
Water Fund			
METRIC	BUDGET	YTD ACTUAL	VARIANCE
Revenue*	\$6,777,398	\$5,499,029	81.14%
Expenses*	\$6,777,398	\$1,680,130	24.79%

Revenues



Water Charges for Service – These revenues are fees charged for customers to receive water services.

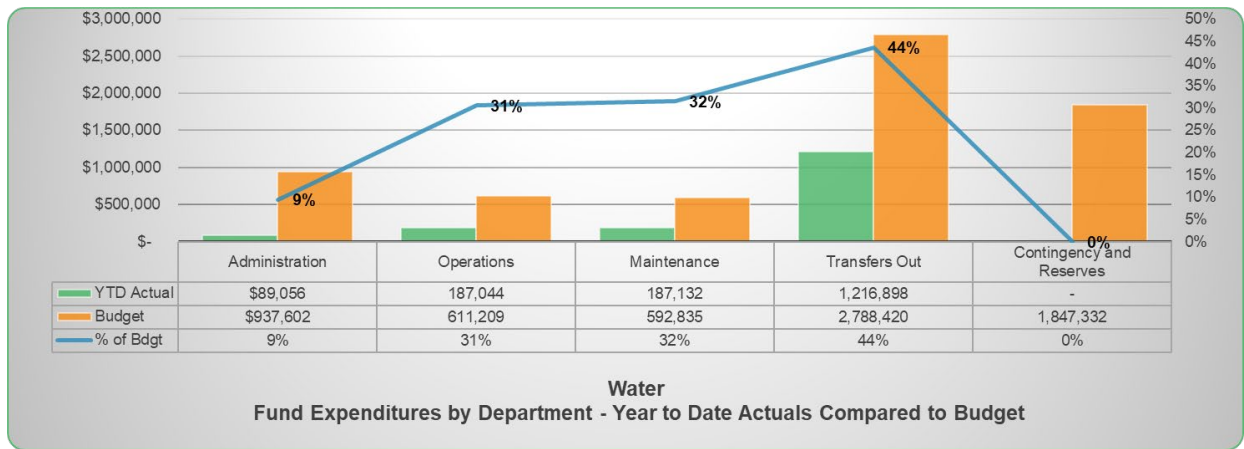
Fees and Permits – These revenues are for new water meter connections and for inspection or plan review services.

Intergovernmental Revenue – Intergovernmental revenue budgeted is from the Water Resources Department for an ASR study.

Miscellaneous – This revenue category’s main revenue is from interest earnings. It also includes \$11,902 rent paid for the land lease by SBA Communications.

Beginning Fund Balance – This revenue is \$549,823 greater than budgeted.

Expenditures



Administration – This department handles all administrative functions for water related functions such as budgeting, capital planning and contract administration. This department includes costs for the ASR study of \$500,000.

Operations – This department handles the operations of the water treatment plant and related maintenance. This department is also responsible for testing and monitoring the water quality of water supplied to customers. Within this section there was budgeted \$60,000 for painting of Plant 1 and Plant 2. As of November \$30,300, has been expended. There is also \$71,700 budgeted for capital replacements or improvements of which \$12,105 has been expended.

Maintenance – This department handles all maintenance related functions for water lines, meter installation or replacement and handles the meter reading for billing. It also handles maintenance of the Silver Creek Dam.

Contingency – The contingency has been reduced by \$20,103 to upsize the waterline related to the Civic Building.

Transfers Out – This portion of the budget covers transfers to the General Fund for financial and administrative services provided. The other transfers are for a percentage of the debt for the PERS bond and to move funds to the Fleet Replacement Fund for replacing the vehicles used by staff. This year's budget also includes \$1,700,000 transfer to the Water CIP Fund.

CAPITAL PROJECTS BUDGETED

City of Silverton

Capital Projects Status					
Project	Fund	Budget	YTD Actual	Variance	
Screw press project	WWTP Digester Project	\$1,837,910	\$77,530	\$1,760,380	4%
Civic Building	Civic Building Project	\$9,006,990	\$3,654,054	\$5,352,936	41%
Second Street Improvement	Second St Improvement	\$2,496,863	\$940,578	\$1,556,285	38%
Main Street Imp - N Water ST to First St	Downtown Improvement Proj	\$300,000	\$0	\$300,000	0%
New primary sludge pump and UV Screen	Sewer Capital Project	\$400,000	\$0	\$400,000	0%
Slip line project to reduce infiltration	Sewer Capital Project	\$300,000	\$0	\$300,000	0%
Silver Creek raw waterline	Water Capital Project	\$752,658	\$82,455	\$670,203	11%
Water main extension to Transitional Housing	Water Capital Project	\$201,900	\$0	\$201,900	0%
TOTAL		\$15,296,321	\$4,754,617	\$10,541,704	

Screw Press Project - The screw press was purchased from FKS CO LTD on 12/30/2019. The City started the project of constructing a building to house the project and then it was determined that additional engineering was required to complete this project. The budget for this year is intended to be able to complete the project. The City has contracted with RL Reimer Corporation to help complete the project.

Civic Building – The land was purchased 12/18/2017. The City then needed to remove the existing building and provide the appropriate abatement for the property, and this was completed by early 2019. In early 2020 Mackenzie Engineering Inc was selected to assist the City in the design of the new Civic Building. The construction of the building was awarded to Corp Inc and began April 2022. The building is expected to be complete in early 2024.

Second Street Improvement – The actual improvement construction began in July 2023. The construction contract was awarded to ML Houck Construction. This improvement will improve the 1,400 linear feet of Second street by building sidewalks, stormwater and upsize a water main from a 6-inch pipe to a 10-inch pipe. The City is working with Firwood Design Group for engineering services.

Silver Creek Raw Waterline Improvement – The project is partially funded with a grant from EDA for \$1.15 million. Engineering began February 2020 using Keller Associates Inc. The construction contract was awarded to Emery and Sons Construction Group LLC and construction started in July 2022. This project is expected to be completed this fiscal year.